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ANNIVERSARY
1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-202
Friday
18 October 1991

Daily Report
East Asia

FBIS-EAS-91-202 CONTENTS *18 October 1991*

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INTERNATIONAL AFFAIRS

Forum Faults IMF, GATT Development Model *[Bangkok BANGKOK POST 18 Oct]* 1
Forum Urges Boycotts, Sanctions Against Burma *[Bangkok BANGKOK POST 18 OCT]* 1
World Bank To Maintain Loans to Asia *[Bangkok BANGKOK POST 14 Oct]* 2
Paper Criticizes 'U.S. Domination' of World Bank *[Bangkok THE NATION 15 Oct]* 3
Thai Minister Scolds World Bank for Loan Delay *[Bangkok BANGKOK POST 17 Oct]* 4
    Criticizes Developed Countries *[Bangkok BANGKOK POST 17 Oct]* 5
Burmese Minister Says Economy 'Picking Up' *[Bangkok BANGKOK POST 17 Oct]* 6
Malaysian Prime Minister on Human Rights *[London TV]* 6

NORTHEAST ASIA

Japan

U.S. Bid for Supercollider Funding Turned Down *[KYODO]* 8
Nakayama Urges Burma To Restore Civilian Rule *[KYODO]* 8
Kaifu Meets Bolivian President, Offers Aid *[KYODO]* 9
Lithuanian Prime Minister Arrives in Tokyo *[KYODO]* 9
    Details Investment Desires *[KYODO]* 10
    Explains Soviet Troop Pullout *[KYODO]* 10
    Meets Keidanren Chairman *[KYODO]* 11
    Discusses IMF With Nakayama *[KYODO]* 11
Central Bank Governor on Rate Cut, Soviet Aid *[KYODO]* 12
Akira Hiyoshi Named New Vice Defense Minister *[KYODO]* 13
KYODO Interviews LDP Candidate Miyazawa 13
    Wants Credit Policy Eased *[KYODO]* 13
    Comments on U.S.-Japan Relations *[KYODO]* 13
Miyazawa Wins 30 Recommendations From LDP *[KYODO]* 14
Business Leaders Support Miyazawa Presidency *[KYODO]* 14
More LDP Mitsuzuka Faction Members Quit *[KYODO]* 15

Mongolia

Diplomatic Ties Established With Latvia 15 Oct *[Beijing XINHUA]* 15

North Korea

Editorial Lauds Kim Il-song's Visit to PRC *[Pyongyang Radio]* 15
PRC Leaders Reply to Kim Il-song's Greetings *[Pyongyang Radio]* 17
Chinese Newspaper Delegation Visits Mangyongdae *[Pyongyang Radio]* 17
    Premier Meets Delegation *[KCNA]* 17
Trade Union Urges U.S. Nuclear Withdrawal *[KCNA]* 17
U.S., South 16 Oct Military Exercises Reported *[KCNA]* 18
Yon Hyong-muk Meets UNDP Regional Director *[KCNA]* 18
Japan-Korea Friendship Meeting Held in Kyoto *[KCNA]* 18
Koreans in Japan Demand End to Discrimination *[KCNA]* 19
PLO Leader Yasir 'Arafat Greets Kim Il-song *[Pyongyang Radio]* 19
Kim Il-song Meets Ugandan Military Delegation *[KCNA]* 20
South Said Practicing 'Antireunification Stand' *[KCNA]* 20

N-S Dialogue Must Concentrate on Reunification *[KCNA]* 20
O Chin-u, Others at Sergeant Majors Meeting *[KCNA]* 21
  Kim Il-song Meets Sergeant Majors *[KCNA]* 22
Meeting Marks Founding of Anti-Imperialist Union *[KCNA]* 22
Peru's Fujimori, Yang Hyong-sop Discuss Ties *[cross-reference]* 23

South Korea

Diplomatic Ties Established With Estonia *[YONHAP]* 23
Estonia Allegedly Refused Relations With North *[YONHAP]* 23
Deng Promises Kim Il-song Delay on Seoul Ties *[HANGYORE SINMUN 17 Oct]* 23
NNSC Protests North's Dismantling Efforts *[SEOUL SINMUN 17 Oct]* 24
Construction Projects in USSR Stall *[YONHAP]* 24
North Economy Shrinking, Production Falls *[YONHAP]* 24
Ministry Issues Outline of North's Legal System *[THE KOREA TIMES 17 Oct]* 25
Expanded Regional Economic Cooperation Planned *[YONHAP]* 25
Trade Group Warns on Investing in ASEAN *[YONHAP]* 25
No Tae-u Urges Cabinet To Expand Foreign Labor *[YONHAP]* 26
Government Launches 2d Phase of 'New Life' Drive *[YONHAP]* 26

SOUTHEAST ASIA

Burma

Myo Nyunt Says Public Servants Threaten Country *[Rangoon TV]* 27
Border Markers Installed in Joint Laos Ceremony *[Rangoon TV]* 27
Army Claims Victories Over Communists in Southeast *[Rangoon TV]* 27

Brunei, Malaysia & Singapore

Singapore

Opposition Leader Discusses Party Prospects *[THE STRAITS TIMES 16 Oct]* 28

Cambodia

Further on 17 Oct Session of Party Congress 29
  Heng Samrin Reads Platform *[Phnom Penh Radio]* 29
  Hun Sen Urges Support for Sihanouk *[SPK]* 33
KPP Extraordinary Congress Continues 18 Oct 34
  Session Reviewed *[Phnom Penh Radio]* 34
  Communist Party Ready for Reform *[AFP]* 34
SNC Group Adopts UN Repatriation Plan *[Bangkok THE NATION 18 Oct]* 35
Khmer Rouge Says Refugees Can Remain at Site 8 *[Radio VONADK]* 36
KPNLF Official Comments on Election Procedure *[Radio VOK]* 36

Indonesia

Diplomatic Relations Established With Libya *[Jakarta Radio]* 38

Laos

Foreign Minister Receives New Mongolian Envoy *[Vientiane Radio]* 38
Education Minister Departs for China Visit *[KPL]* 38
Economic Minister Returns From Bangkok Visit *[Vientiane Radio]* 38
Police Arrest Narcotics Traffickers, Seize Drugs 39
  Jul-Sep Operations Detailed *[Vientiane Radio]* 39
  Champassak Officials Burn Contraband *[Vientiane Radio]* 39

Philippines

- Further on Alleged Manglapus Assassination Plot ... 39
  - Manglapus Interviewed *[Manila Radio]* ... 39
  - Enrile Seeks Senate Probe *[MALAYA 18 Oct]* ... 41
  - Official Blames 'Government Enemies' *[Quezon City Radio]* ... 42
- Aquino: Bases Agreement Also Termination Notice *[Quezon City Radio]* ... 42
- Tanada Presses for One-Year U.S. Base Pullout *[MALAYA 18 Oct]* ... 42
- Australia Maintains Official Development Aid *[THE MANILA CHRONICLE 14 Oct]* ... 42
- Canada To Aid Local Government Program *[MANILA BULLETIN 13 Oct]* ... 43
- Government Asks World Bank To Fund Loan Program *[THE MANILA CHRONICLE 14 Oct]* ... 43
- Group Criticizes World Bank Funded Export Plan *[MANILA BULLETIN 13 Oct]* ... 44
- ASEAN Abandons Regional Trading Bloc Plan *[PHILIPPINES NEWSDAY 14 Oct]* ... 44
- Domestic Borrowings Increase to 298 Billion Pesos *[PHILIPPINE DAILY INQUIRER 15 Oct]* ... 45
- Executive Secretary Supports Lifting Import Levy *[PHILIPPINES NEWSDAY 17 Oct]* ... 46
- Congress Approves 301.8 Billion-Peso Budget *[Manila Radio]* ... 46
- Manila Offers Incentives to Foreign Creditors *[THE CHRONICLE 14 Oct]* ... 46
- Document on Military Rebels' Program Reported *[PHILIPPINE DAILY INQUIRER 18 Oct]* ... 47
- Communist Rebels Oppose Local Level Peace Talks *[BUSINESS WORLD 18 Oct]* ... 48
- NPA Rebels Agree to Southern Luzon Cease-Fire *[MALAYA 18 Oct]* ... 48
- NPA Rebels Kill 4 'Vigilantes' in Agusan Sur *[PHILIPPINE DAILY INQUIRER 18 Oct]* ... 48
- Remains of NPA Victim Found; Soldier Suspected *[Manila Radio]* ... 48

Thailand

- Anan on Facilitating UN Mission to Cambodia *[Bangkok TV]* ... 49
- Drafts Finalized for SRV Economic Cooperation *[BANGKOK POST 18 Oct]* ... 49
- CSFR Signs Investment Promotion Agreement *[Radio VOFA]* ... 49
- Paper Says World Bank Polices Not Helping Poor *[THE NATION 12 Oct]* ... 49

Vietnam

- Nguyen Manh Cam Leaves for Paris Conference *[Hanoi Radio]* ... 51
- Government Spokesman on Forced Repatriation Issue *[Hanoi Radio]* ... 51
- EC Program To Aid Vietnamese Refugee Returnees *[Hanoi Radio]* ... 51
- Rail Service With PRC To Resume This Year *[Hanoi International]* ... 52
  - Border Railway Section Repaired *[Hanoi International]* ... 52
- Army Paper on Progress in Relations With Laos *[Hanoi Radio]* ... 52
- Do Muoi Sends Congratulations to Fidel Castro *[VNA]* ... 53
- Radio Commentary Supports Cuban Party Congress *[Hanoi International]* ... 53
- CPV Greets Hungarian Party Congress *[VNA]* ... 53
- Doan Khue Meets Indonesian Military Delegation *[Hanoi TV]* ... 53
- Foreign, Capital Investment Plans Outlined *[VNA]* ... 54
- Council of Ministers Directive on Debt Settlement *[Hanoi Radio]* ... 54
- Council Issues Directive on Eucalyptus Planting *[Hanoi Radio]* ... 54
- Party Mass Mobilization Department Holds Seminar *[SAIGON GIAI PHONG 27 Sep]* ... 55
- Article Views Army Signal Corps Party Congress *[QUAN DOI NHAN DAN 2 Oct]* ... 55
- Tien Giang Province Holds Party Congress *[Hanoi Radio]* ... 56
- Pham The Duyet at Thang Long Bridge Congress *[Hanoi TV]* ... 56
- Military Construction Corporation Holds Congress *[Hanoi Radio]* ... 57
- Nguyen Van Linh Attends Student Awards Ceremony *[Hanoi Radio]* ... 57
- Uranium Ore Discovered in Central Vietnam *[AFP]* ... 58
- VNA Reviews Hanoi Newspapers for 14 Oct ... 58

AUSTRALASIA

Australia

- Government Protests Taiwanese Air Link Threat *[AFP]* ... 59

Fiji

Sugarcane Harvesters To Go On Stike 18 Oct *[Melbourne Radio]* 59

Solomon Islands

Opposition Head Nori Resigns, Successor Chosen *[Melbourne Radio]* 59

Forum Faults IMF, GATT Development Model

BK1810032991 Bangkok BANGKOK POST in English 18 Oct 91 p 6

[Text] The International People's Forum yesterday condemned the development model used by the World Bank, IMF and GATT, claiming it had destroyed or degraded the diversity and integrity of local economies.

In response, the forum delegates urged countries belonging to the World Bank and International Monetary Fund to reduce their financial contributions to the two institutions.

In a declaration issued at the end of the five-day forum yesterday, the delegates from 43 countries alleged that the development model gave too much emphasis to export-led growth, foreign investment and loans, and trade liberalisation.

The declaration said this led to the transfer of resources from local people to feed the continuous growth of industrial countries through the activities of transnational companies.

The forum said any alternative to the current development model must be based on the principle of self-determination and effective participation by the people at national and international levels.

"At the national level, we feel that institutions that govern people's lives and determine the destinies of entire communities and peoples must abide by decision-making processes which acknowledge the rights of local communities," the declaration said.

"At the international level, the decision-making processes that have led to the present inequities between the industrialised countries and the Third World in terms of trade and the flow of financial, natural and human resources have to be delegitimised and replaced."

The participants said they found faults in the development models for the Third World and newly-industrialised and industrialised countries which were manifested in the displacement of people from their homes, increasing poverty, widening social inequities, depleting natural resources, degrading the environment and causing massive international debt.

The participants cited the example of the Green Revolution which was promoted to meet the Third World's food needs but, in effect, undermined food security and made people dependent on imports of chemical fertilisers and pesticides.

The results, they said, have been erosion of seed diversity, declining soil fertility, chemical poisoning of soil and water, declining yields, increasing pest resistance and poverty.

They urged radical changes in production and consumption patterns and in the process of development.

The forum also adopted a resolution on the UN Commission on Environment and Development (UNCED) Earth Summit next year, calling on all parties concerned to focus attention on issues basic to sustainable rural development and to ensure they are addressed comprehensively in resolutions and agreements that emerge from the summit.

The forum outlined the following principles to achieve the sustainability of rural communities:
—Respect for their rights to the land upon which they depend.
—Respect and security for their rights to control the land, water and other resources upon which they depend.
—Informed consent through their own representative institutions for the development of their lands and resources.
—Respect and security for their indigenous knowledge and technologies.

Forum Urges Boycotts, Sanctions Against Burma

BK1810030191 Bangkok BANGKOK POST in English 18 Oct 91 p 6

[Text] The International People's Forum yesterday urged the international community to put more pressure on the Burmese military junta, including economic boycotts and sanctions.

A statement issued at the end of the Forum also called for:
—Revocation of Burma's membership from the World Bank and the International Monetary Fund until a transfer of power to the "legitimate government of Burma."
—Immediate suspension of all United Nations programmes in Burma.
—Re-evaluation of Burma's status as a least-developed country because of "the government's deliberate doctoring of the country's income figures."
—Recognition of refugee status for all Burmese fugitives in Thailand by the Thai Government.
—Rejection of the Thai Interior Ministry's plan to intern Burmese fugitives in a camp.

The Forum condemned the planned October visit to Burma by a Thai delegation led by Agriculture Minister Anat Aphaphirom and called for its cancellation. It also denounced the internment of Burmese students at Bang Khen police school by the Thai Government and urged that arrests and deportation of the students be stopped.

The Forum said it did not regard the awarding of the Nobel Peace Prize to Aung San Suu Kyi as a personal honour, but as recognition of "the Burmese people's struggle for democracy in Burma." It demanded the unconditional and immediate release of Suu Kyi and other political prisoners in Burma.

National League of Democracy's information bureau spokesman Hla Pe yesterday praised Suu Kyi as one of the toughest forces in Southeast Asia.

"She never bows to the pressure of the SLORC [State Law and Order Restoration Council] authorities. That is why she has been detained in her house for more than two years. But she continues to resist," said Hla Pe.

He added that pressure from the international community was the "only hope" to effect changes in Burma.

World Bank To Maintain Loans to Asia

BK1410025191 Bangkok BANGKOK POST in English 14 Oct 91 pp 1,4

[Report from "World Bank/IMF 1991 Special" supplement; including report on interview with Attila Karaosmanoglu, World Bank vice president for the Asian Region, by unidentified BANGKOK POST reporters in Bangkok; date of interview not given]

[Text] Contingent on its adjustments to cope with expected increases in the funding needs of Eastern Europe and Latin America, the World Bank's [WB] new commitments to countries in the Asian region in the medium-term future are expected to remain roughly at the same level as now, or about one third of the institution's total global lending, senior bank officials said.

The officials were trying to play down concern among countries in this region that the enormous financial aid from multilateral sources and Western industrialised nations that are needed to support the economic transformation in the Soviet Union and Eastern Europe may translate into lower WB lending for Asia.

They say the emerging scenarios in the Soviet Union and Eastern Europe should not only be seen as a "threat" but should also be viewed as an "opportunity" for the dynamic countries in Asia-Pacific that are well-positioned to export goods and services to the newly-opened region.

Given the plethora of economic problems and credit risks that these formerly socialist nations have yet to overcome, the officials also note that the pace of foreign assistance and private capital flows will be gradual at best.

"Although it is not easy to make precise predictions, I do not expect Asia's relative share (to total WB lending) to change significantly over the next 3 to 5 years," said WB vice president for Asia Region Attila Karaosmanoglu in an interview with the BANGKOK POST.

With more than 20 bank members in this region—including the three top borrowers of India, China and Indonesia—Asia has always constituted the largest geographical region in terms of WB operations.

In the recent past the region has accounted for roughly one third of "new commitments" (IBRD [International Bank for Reconstruction and Development] and IDA [International Development Association] combined), although the ratio goes up to about 40 percent in "portfolio" terms. Combined IBRD and IDA new commitments in recent years have hovered above US$20 billion annually.

But according to Mr. Karaosmanoglu, two things have reduced the share of the Asian region in the last few years, including the disruption of bank lending to China following the Tiananmen incident in 1989 and some difficulty in India's power secion which contributed to a reduction of lending to that country.

If the Tiananmen incident had not taken place, bank lending to China would have gone beyond US$2 billion annually by now, but actual new commitments to China last year were only US$1.58 billion.

After significantly less lending to India in the last two years, the bank's new commitments this year are expected to pick up to the previous annual level of about US$3 billion.

These shortfalls in Asia came at a time when there was a renewal of large bank lending in Latin America as countries in that region "put their economic house in order." There was also increased bank lending over this period to new members in Europe.

But Mr. Karaosmanoglu, who will become one of the three managing directors in the WB President's Office in December, does not expect any trade-off between lending to Asia and lending to other parts of the world.

"Our resources are not under any significant pressures at this point," he said. "Therefore, depending on the availability of good projects and programmes, we do not see an immediate trade-off. So the amounts of lending (to Asia) will be determined by the available good projects [rather] than the needs of other parts of the world." WB President Lewis Preston has earlier given the same assurance.

Although major Asian borrowers like India and Indonesia are considered to be reaching their "maturity" and hence cannot borrow that much more, Mr. Karaosmanoglu does not expect any decline in WB lending to Asia since there are new countries, notably Indochina and Burma, which are expected to become "more active" in the years to come.

India is by far the largest WB borrower worldwide, having borrowed US$37.5 billion worth of combined IBRD and IDA funds on an accumulative basis from the start. It is followed by Indonesia (US$17.5 billion) and China (US$10.8 billion).

Commenting on the "maturity" of India and Indonesia, Mr. Karaosmanoglu said further (large) increases from their levels "within a prudent financial management" might not be easy.

Meanwhile, there is another group of Asian countries—such as Thailand, Malaysia and Korea—which have other options and can borrow in the international markets at rates compatible to or less than the WB's. Therefore, their recourse to the WB is not expected to increase.

But despite these factors, Mr. Karaosmanoglu does not expect any decline in lending to this region because of the expected large funding needs of significant-size countries like Vietnam, Burma and Cambodia in the medium-term future. Also, he expects other large countries to continue their borrowing programmes.

For the last two years the WB has been engaged in an economic policy dialogue with Vietnam, though any new lending will not be forthcoming until the country clears the arrears of US$110-120 million it owes the IMF.

WB officials praised Vietnam for the significant progress it has made in initiating economic reforms without external support. But they also said the country was in a tight situation since there is no multilateral or bilateral aids to assist the reform efforts (due to the longstanding U.S. economic embargo). Vietnam's economic difficulty is further aggravated by the withdrawal of aid from the Soviet Union and other former Comecon countries.

The officials admitted that it is difficult and premature to assess Vietnam's funding needs and its likely reliance on the WB "until we can get truly operational there in the true sense."

The ongoing dialogue with Vietnam aside, bank officials conceded they are still groping in the dark as far as Burma and Cambodia are concerned.

Although the bank has not suspended disbursement of old loans to Burma, there has been no new commitment for three years and there is at present no economic dialogue with the country.

Laos, on the other hand, has become an active WB borrower in the recent past, having borrowed US$130 million until now.

Paper Criticizes 'U.S. Domination' of World Bank

BK1510051191 Bangkok THE NATION in English 15 Oct 91 p A10

[Editorial: "Will The World Bank Take A Close Look At Itself?"]

[Text] While it is clear that the Soviet Empire and world communism were the biggest losers of the Cold War, it is debatable who the biggest winners were. The conventional wisdom has it that the United States, particularly President George Bush, came out on top at the end of the Cold War. But the American "victory"—if it can be called that—is proving extremely costly.

The United States still has few close friends on every continent outside North America. Though Bush and President Mikhail Gorbachev are talking about additional cuts in their nuclear weapons and conventional forces, the US military establishment is still thinking in Cold War terms of "forward deployment," "preparing for the worst," "balance of power" and "power vacuums." The complete withdrawal of US forces from the Philippines in three years' time will, these US top brass say, leave a "power vacuum" in Southeast Asia and make it imperative for the US forces to remain in Japan and perhaps South Korea to maintain a "credible" and yet "economical" US military presence in East Asia and the Pacific.

While the US continues to squander money and resources on playing the role of a global policeman, the US has deteriorated from being the world's largest creditor nation to being the world's largest debtor to being the world's largest debtor nation. Worse still, its economy looks to be once again heading into a recession while its financial system is close to crisis. The American public school system produces functionally illiterate high school graduates unable to speak grammatically correct English, much less write a one-page essay describing themselves when applying for a job. Yet most Americans—especially those who have never left their home states—think their country is still "Number 1" in the world in everything.

The true "winners" in the Cold War may actually be West Germany and Japan: West Germany won because it managed to unify with East Germany and arrange the withdrawal of the Red Army peacefully; Japan won because it is now the world's largest creditor nation with more and more economic interests and real estate properties in the Western World, especially the United States. Japan may soon even get back its four northern islands from the Russian Republic. Moreover, both the unified Germany and Japan have few enemies anywhere, but friends and business partners everywhere.

If the domestic mess in the United States is any indication, the "new world order" that President Bush likes to talks about will be no less chaotic if the United States is allowed to have, or continues to play, a dominant "Number 1" role in all global affairs. The World Bank is one world body where US domination must end because the United States has a dismal record in international reconstruction and development over the last four decades.

Past US aid to the Third World was chiefly geared toward serving the US strategic and economic interests in the Cold War. The interest of Third World peoples was always a secondary issue. US politicians, bureaucrats and military leaders consistently backed right-wing dictators and funded Third World dictatorships while alienating Third World peoples in the process.

Throughout the Cold War years, the World Bank was used, either directly or indirectly, by the United States as a tool: denying the Soviet Union and its allies access to financial resources and technologies while hooking

Third World economies to perpetual dependency on the United States and the US-led world capitalist system. This is one of the reasons that a large majority of the world's people still languish in abject poverty, living on what the World Development Report 1991 describes as "less than one dollar a day—a standard of living that Western Europe and the United States attained two hundred years ago."

After four decades of world development work, the World Bank still says it doesn't fully understand the processes driving economic development. Yet in its Report it prescribes a list of "priorities of action" for the developed countries as well as for the developing countries. It advocates a "reappraisal of the respective roles for the market and the state." But nothing on the role of the World Bank itself.

The World has been making sizeable profits; its executives fly first-class and stay in lavish suites when on business overseas, like attending the meeting being held in Bangkok this week. It takes a giant leap of faith to believe that these World Bank "angels" are really more interested in international reconstruction and development than enjoying their privileged lives and explaining their continuing failures with fanciful annual reports and international meetings.

The World Bank declares in its "overview" in the report that "development is the most important challenge facing the human race." We think anothr challenge is how to make the World Bank management accept responsibility for its four decades of failures under US domination.

The World Bank asks: "What can the international community do to spur development and alleviate poverty?" A good question. Our answer is that the international community must demand a complete overhaul of the World Bank's management to transform it into a global body truly capable of involving Third World peoples in international reconstruction or development.

Such extremely superficial involvement like hosting a World Bank meeting which Thailand is doing now is anti-development in the long-run. It reinforces the attitude of dependency in Thailand that the country must pamper the World Bank executives to succeed and gain face.

Thai Minister Scolds World Bank for Loan Delay

BK1710041191 Bangkok BANGKOK POST in English 17 Oct 91 p 1

[Text] Finance Minister Suthi Singsane yesterday criticised the "tyranny" of a few member countries on the executive board in forcing the World Bank to postpone the controversial Pak Mun Dam project.

During his speech on the second day of annual discussion, Mr Suthi said further indecision would "truly endanger" the World Bank as a collaborative and effective institution.

His criticism of executive board members is the second this week by Thai officials. On Monday, the Finance Ministry's director-general of the Fiscal Policy Department, Niphat Phukkanasut, implied that an executive member from the United States had pressed for a postponement of the decision.

Most of the 22 board members of the World Bank are scheduled to visit the site of the Pak Mun Dam tomorrow to assess the environmental impact of the project.

Leading up to his criticism, Mr Suthi said that in trying to balance "the needs of accelerating the supply of basic resources, such as water for irrigation and power to light rural areas, and creating new employment opportunities and their concomitant impact on the environment, Thailand firmly believes that these concerns must be carefully considered to avoid costly environmental rehabilitation measures and to ensure that adequate environmental safeguards are taken."

Because of these concerns, Thailand sought partial World Bank fianancing for the Pak Mun Dam project "to ensure that all adequate measures humanly possible would be taken to meet stringent international environmental standards, while simultaneously satisfying the basic development needs of the Thai people."

"We studied carefully all aspects, including those that directly affected the human dimension. We are deeply disappointed that after lengthy considertaion of all the issues and conclusion of the loan negotiation, the board of executive directors did not properly take action in the normal World Bank manner.

"There are no legitimate reasons for the inexplicable decision to postpone the issue," he said. "It is a most dangerous precedent that the tyranny of a few in other countries prevails over membership rights, as well as logical and sound development objectives."

The cost of the project is minimal, he said. "But in this delay, its impact on future bank decision-making process and membership legal rights are considerable."

He said if the board and management through indecision and illegitimate concerns beyond membership critieria caused the bank to regress, its role as a collaborative and effective development institution will be endangered.

"We cannot and must not tolerate such an impasse," he said.

A senior bank official told the BANGKOK POST yesterday that originally the World Bank was scheduled to consider the Pak Mun Dam issue on October 10 but the decision was postponed because of concerns over environmental aspects of the dam by certain board members representing powerful developed nations.

The official said executive board members representing countries such as the United States, Germany, France, Canada and the United Kingdom were extremely sensitive to environmental groups and activists in their own countries. Although these members do not represent a majority on the executive board of directors, their influence is considerable. Developed countries provide most of the funding for the World Bank and the IMF.

The official said, for instance, that Japan has not made its position clear on the Pak Mun Dam issue. But if executive directors representing the developed countries still oppose or hold reservations, then Japan could abstain on the decision.

Although the board is due to visit the dam site tomorrow, it is uncertain when the issue wil be reassessed by the bank, the official said.

Criticizes Developed Countries

BK1710042191 Bangkok BANGKOK POST in English 17 Oct 91 pp 1, 3

[Text] In a hard-hitting speech implicitly criticising Western countries for hypocrisy, Thailand's Finance Minister Suthi Singsane hit out at developed industrial nations for reaffirming their belief in free market principles and yet put up obstructions and refuse to dismantle trade barriers themselves.

Mr. Suthi also said that developing countries are subjectd to stringent environmental conditions and standards by multilateral institutions for economic loans and credits for projects.

These standards are imposed on the international institutions by developed countries, the major contributors to degradation of the world environment.

During his address on the second day of annual discussions, Mr Suthi said that Thailand, a major beneficiary of open trade and payment system, has observed "with concern" that the open, multilateral system of the world trade has come under increasing strain in recent years.

"We would like to express our extreme disappointment in the lack of success of the Uruguay Round," the minister said.

"It is ironic that many industrial countries, while publicly reaffirming their belief in free market principles and extending timely and strong support to the movement toward the creation and develoment of free market regimes in Eastern Europe and the Soviet Union, simultaneously are the very countries putting up obstructions and refusing to lower or dismantle trade barriers vis-a-vis other dynamic developing countries.

"Moreover they are using strong-arm tacts in forcing bilateral concessions from smaller and weaker developing countries," the minister said.

Minister Suthi said that a successful and timely conclusion of this important multilateral GATT process is vital to stable world economic progress and revived world trade expansion.

Speaking on environmental preservation, an issue which top Bank/Fund participants have emphasised during the conference, Mr. Suthi said: "It is very important to bear in mind that the major contributors to the degradation of world environment are the industrial giants of today.

"This is true in both historical as well as contemporary perspectives," Mr. Suthi said.

He said that developing countries striving for development "need and rely" on economic and financial loans and credits from the multilateral institutions.

But developing countries are subject to stringent environmental conditions and standards imposed by developed countries through these institutions, he said, adding that such conditions are quite costly.

Minister Suthi added: "However, these same stringent conditions are not being imposed on many of the industrial polluting countries as they do not borrow from the World Bank and the IMF.

In order to resolve this contradiction, the minister said that "a universal standard on environment preservation and a global environment fund be set up by an international agency because of its universal responsibility."

"This will not be an easy task, and its success calls for the recognition of mutual responsibilities and an equitable sharing of financial resources and efforts on a worldwide scale," he said.

Mr. Suthi also commented on several themes raised during the Bank/Fund meeting, themese emphasied by top executives of the World Bank IMF and developed countries such as good governance, the reduction of military spending and preservation of the environment.

"It is evident that governance, military spending and the environment are key policy issues that merit careful debate and consideration by multilateral development institutions as well as among donor and recipient countries.

"In dealing with the issue of governance, it is imperative that due and careful consideration be given to historical, cultural, social and economic background of a country.

"We do not believe there exists a golden rule that can be applied universally to all countries," the minister said.

On military spending, the minister said "we believe overall world security has an important bearing on defence expenditures of all countries.

"For small countries, however, the regional security environment as well as specific country circumstances should be the overriding determining factors."

Mr. Suthi said that Thailand believes that the development of the monetary and financial system is still an important policy issue.

"The key task now is how to best coordinate economic policies among the large industrial nations to support a global economic recovery without rekindling inflationary pressures.

"The key task now is how to best coordinate economic policies among the large industrial nations to support a global economic recovery without rekindling inflationary pressures.

"In the medium term, while price stability should remain an important policy objective, the new demand for saving associated with the reconstruction in the Middle East, German unification and refrom in Eastern Europe and the Soviet Union is likely to have a large impact on financial resources of industrial countries.

"To meet this challenge, the policy strategy in the industrial countries needs to put greater priority on fiscal consolidation and reduction in unproductive government expenditures. At the same time structural adjustments must be stimulated, especially with respect to the labour market, tax structures and the trading system, in order to reduce unemployment, encourage private savings and improve production efficiency," the minister said.

Burmese Minister Says Economy 'Picking Up'

BK1710025991 Bangkok BANGKOK POST in English 17 Oct 91 p 3

[Text] Burma, which plans to adopt measures to boost production and attract more foreign investment next year, has designated 1992 "Economic Year" but appears content to continue with its policy of political isolation.

Burmese Minister for Planning, Finance and Trade David Abel announced upon arrival in Bangkok from China on Tuesday night that Burma's economy is picking up, in stark contrast to the view of analysts that it is heading downward as a result of flawed macroeconomic policy and management.

Brig-Gen [Brigadier General] Abel is heading the Burmese delegation attending the World Bank-IMF meeting. He is expected to hold talks with World Bank president Lewis Preston, International Monetary Fund managing director Michel Camdessus as well as the president of the Asian Development Bank.

He expressed confidence that Burma can achieve its ambitious economic targets through "alternative monetary systems" by circumventing the traditional channels off-limits to Burma.

With this year's Nobel Peace Prize going to dissident leader Aung San Suu Kyi, the military junta, which seized power after brutally crushing a pro-democracy uprising in 1988, is expected to face continued Western sanctions and subsequently tighten its grip on the people.

Contrary to the international trend, China and Thailand have continued to maintain good political and economic relations with Burma, with trade along their common borders flourishing.

"Everybody is important to us, and we are friendly with all countries in the world," said Minister Abel.

The World Bank has been unable to establish a meaningful dialogue with Burma over the last three years as Rangoon refused to heed the bank's advice to correct its distorted economic policy.

Although there was no commitment of new assistance during the period, the World Bank continued to disburse old loans.

"The monetary system of the world works in different manners and there is a different mechanism. The isolation you talked about is just a political overview. In the economic field, things are different," he said.

The minister said that foreign investment in Burma "is coming on strong."

"We have invited foreign investors, and with our investment law anybody can come and invest in our country. With next year designated 'Economic Year', they will feel that it is a stronger opportunity for them to come," he said.

SLORC—the State Law and Order Restoration Council, Burma's supreme governing body—has so far concentrated its efforts on construction and upgrading infrastructure. Next year will mark the start of a three-year development plan to promote production, enhance economic growth and trade activities, he said.

"The targets have been set and we have to work on them because time is precious," he said.

Abel refused comment when asked how long SLORC planned to rule Burma, or whether the three-year economic development plan outlined by him meant that SLORC would continue in its present capacity for at least another three years.

Malaysian Prime Minister on Human Rights

LD1710090291 London BBC Television Network in English 2130 GMT 15 Oct 91

[Interview with Malaysian Prime Minister Dr. Mahathir bin Mohamed in Harare by correspondent Peter Snow in London on 5 October; from the "Newsnight" program—recorded]

[Text] [Snow] A little earlier this evening I talked to Prime Minister of Malaysia Dr. Mahathir bin Mohamed in Harare. He's chairman at this conference of the working party of the future of the Commonwealth. I asked him if was not time for the Commonwealth to clean up it's act and to make a ringing declaration on human rights.

[Mohamed] It is important that everybody should [be] involved in this pursuit of common rights, but I don't think it should be exclusive for Amnesty International or for Europe, because they are bound to be biased and as far as we can see, even in Britain there are people who are accused [as heard] the British Government of not recognizing human rights, and as to detaining people in my own country, well we inherited that law from the British. There was no complaint when the British were there and were detaining people without any trials, so why is there a change of mind now?

[Snow] Prime minister, just because you inherited something from the British doesn't mean to make, that doesn't mean to say you can't clean up your act in the 1990's.

[Mohamed] We cannot accept the standards that is applied other countries and applied to our country without taking the situation in our country, for example, although our has elections regularly, we are described by some people as being a totalitarian state. And if we have this kind of loose definition then practically everybody will be penalized, because somebody thinks that they should be penalized on the basis of their own judgment.

[Snow] Do you think that Britain and other countries are making too much of this issue of human rights and good government, but you like to see other issues made more of a priority?

[Mohamed] I think you are setting up too high a standard, and you must remember that most of these countries tried democracy before and they failed because it's not easy to make democracy work. You may have seen what happened in Russia, for example, mere acceptance of democracy and free market system and the other democracy practices has not brought about beneficial change for the people. So another attempt at practicing democracy may yet fail because no one is about to have them if they falter or they make some mistakes.

[Snow] What do you think of Britain's determination to reassess the amount of aid the she gives to Commonwealth countries and other countries in the world in the light of the kind of commitment to democracy that that country displays?

[Mohamed] Well, that is the right of Britain to which country it wants to give aid, but I would be very sorry if Britain were to make arbitrary judgment as to whether a country has good government or practices human rights or not. I think even Britain must conform to a generally accepted definition of good government and other democratic rights.

Japan

U.S. Bid for Supercollider Funding Turned Down

OW1810093291 Tokyo KYODO in English 0731 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—Japan on Friday turned down a U.S. request for financial support for its multibillion dollar high-energy research supercollider project, which is likely to develop into a political matter when U.S. President George Bush visits Japan in late November.

Akiko Santo, director general of the Science and Technology Agency, told a press conference that the Japanese Government made it clear during two days of science talks with U.S. officials which concluded earlier in the day that financial help at this moment is difficult due to the budgetary constraints.

"We are now preoccupied with cementing the basis for Japan's basic science research," she said.

While expressing understanding of the difficulties facing Japan, the U.S. team, headed by Allan Bromley, a science adviser to Bush, put pressure on Japan by saying that the project is certain to be high on the agenda during the Japan-U.S. summit meeting, Japanese officials said.

The U.S. side proposed the creation of a special fund in Japan to finance the 8.2 billion dollar superconducting super collider facility now under construction in Texas.

But the Japanese team rejected the proposal, arguing that such a big outlay would constrain other projects in Japan.

The supercollider project, scheduled to be completed in 1999, involves construction of an 85-kilometer circular tunnel, where protons would hurtle in opposite directions at near the speed of light, eventually colliding to recreate the forces present at the origin of the universe, according to scientists.

Santo said the U.S. delegation did not specify the scale of funding it wants from Japan, but Japanese government sources said earlier in the week that Bush, during his November tour to Japan, could seek up to 1.6 billion dollars in aid.

The law that established the supercollider project requires that at least one-third of the funds must come from sources outside the federal government. The state of Texas has already promised 1 billion dollars.

Nakayama Urges Burma To Restore Civilian Rule

OW1810122491 Tokyo KYODO in English 1059 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—Foreign Minister Taro Nakayama on Friday called on the military junta in Myanmar [Burma] to restore civilian rule as soon as possible, Foreign Ministry officials said.

Officials said Nakayama made the call in a 20-minute meeting with Myanmar Foreign Minister U Ohn Gyaw, who arrived in Tokyo Thursday for a two-day stay en route home from the United Nations General Assembly session in New York.

In what officials described as the sharpest possible diplomatic language short of explicit criticism, Nakayama told his counterpart that not only Japan, but a number of countries "are strongly concerned about the process and timing of transfer to civilian rule."

Drawing attention to Monday's awarding of the Nobel peace prize to detained opposition leader Aung San Suu Kyi, he said Japan wants the Myanmar leadership "to take heed of the very strong interest of the international community in the democratization of Myanmar."

Nakayama stressed that concern over the situation in Myanmar is not only increasing in Japan and other western industrialized countries, but is shared by Myanmar's immediate neighbors—the members of the Association of Southeast Nations (ASEAN).

Snowing dissatisfaction at the stagnant political situation in Myanmar, Nakayama said the Asian region is now in a period of change and reorganization, as shown by the imminent peace accord between the four warring Cambodian factions.

Nakayama also noted that many countries at the U.N. General Assembly session, which he attended recently, were concerned about Myanmar's human rights record in addition to the suspension of civilian rule there.

Officials said U Ohn Gyaw promised to convey Nakayama's remarks to his government and said that democracy will eventually be restored in Myanmar.

He said there is no saying how long a transfer of power from the ruling state law and order restoration council might take. "The speed may be slow, but things are progressing steadily," he said.

Officials said the Myanmar foreign minister made no comment on the awarding of the Nobel Peace Prize to Aung San Suu Kyi, who has been held under house arrest and incommunicado since 1989.

Aung San Suu Kyi, whose National League for Democracy (NLD) won the May 1990 general election by a landslide, received the prize for her nonviolent struggle for democracy against "a regime characterized by brutality," the Nobel committee said.

The military junta has refused to hand over the reins of government and has arrested most of the NLD leaders.

U Ohn Gyaw, a 59-year-old career diplomat, was appointed Myanmar's foreign minister last month, taking over the job for junta head Gen. Saw Maung.

He is the only civilian in Saw Maung's junta, which took power in September 1988.

U Ohn Gyaw was quoted as expressing Myanmar's appreciation for the cooperation Japan has given it since the end of World War II.

In 1987, Japanese aid accounted for 71.5 percent of foreign economic assistance to Myanmar.

When the junta seized power in September 1988, Japan joined other countries in suspending economic assistance.

But in February 1989, after recognizing the military government, Japan decided to release aid that had been committed prior to the suspension.

Officials say Japanese aid to Myanmar is no longer considered suspended, but rather Tokyo is simply not committing any new assistance, with the exception of humanitarian and emergency relief aid.

In June, however, Japan gave Myanmar a 3.5 billion yen debt relief grant in response to that government's repayment of its debt to Tokyo. Officials described the grant as another exception to the general rule.

When the Nobel Prize was awarded to Aung San Suu Kyi, Japanese Government spokesmen carefully did not welcome the award, to avoid riling Myanmar and its neighbor Thailand, which has taken an accommodating position toward the Myanmar junta.

Instead, they said that Japan "understands" the reason the award was given to Suu Kyi, namely her key role in the democracy movement in Myanmar.

Foreign Ministry Spokesman Taizo Watanabe told reporters Tuesday a more committed reaction on Japan's part "might work against our interests."

Kaifu Meets Bolivian President, Offers Aid

OW1710133991 Tokyo KYODO in English 1204 GMT 17 Oct 91

[Text] Tokyo, Oct. 17 KYODO—Prime Minister Toshiki Kaifu told Bolivian President Jaime Paz Zamora on Thursday that Japan will favorably consider Bolivia's request for 200 million dollars in loans to finance a major natural gas pipleline project designed to dramatically boost the country's export revenues.

Officials quoted Kaifu as pledging to consider "in a forward-looking manner" Bolivia's pending request for funds to construct a 582-kilometer natural gas pipeline from the centrally located city of Santa Cruz to a site near the Brazilian border.

Officials said the natural gas would be used to generate electricity at a power plant to be constructed at the border site as an integral part of the project.

They said the electricity would be exported to Brazil, resulting in what Bolivian officials predict will be a 20 percent boost in the indebted country's export revenues.

Kaifu said a concrete pledge of funds for the project from the Export-Import Bank of Japan will depend on whether the World Bank and the Inter-American Development Bank (IDB) agree to go ahead with the proposed cofinancing scheme.

Bolivia wants each of the three financial entities to pick up a third of the 600 million dollars that it estimates are needed to fund the project.

Paz Zamora, who arrived in Tokyo on Wednesday on a four-day visit, was the first Bolivian leader to pay an official visit to Japan.

Officials said Kaifu pledged in his meeting with Paz Zamora to dispatch a mission to Bolivia soon to look into another pending Bolivian request for 30 million dollars in Official Development Assistance (ODA) loans for a high priority road repair project.

Bolivia wants the funds to repair a barely passable 190-kilometer road from Patacamaya, some 100 kilometrs south of the capital of La Paz, to the border with Chile, which it envisions would allow the landlocked country an outlet to the economically dynamic Pacific Basin.

Japan is now Bolivia's largest aid beneficiary. Bolivia is the third largest recipient of Japanese aid to Latin America and the largest recipient in the region of Japanese grant assistance.

Paz Zamora told Kaifu that Bolivia wants to be viewed not as an aid recipient but as a "good partner" of Japan.

Officials said the Bolivian leader called for a greater infusion of Japanese funds, saying whereas funds used to be needed for the purpose of economic stabilization, they are now needed for economic growth.

Paz Zamora reportedly said Bolivia's debt burden is fast becoming a problem of the past.

He stated his country will not call on the so-called Paris Club of aid donors to take measures to reduce the more than 3.7 billion dollar debt.

Kaifu vowed that Japan will continue to consider Bolivia a priority country for its aid and support that government's efforts at implementing drastic economic reform under very difficult economic conditions.

Lithuanian Prime Minister Arrives in Tokyo

OW1710141491 Tokyo KYODO in English 1146 GMT 17 Oct 91

[Text] Tokyo, Oct. 17 KYODO—Lithuanian Prime Minister Gediminas Vagnorius arrived Thursday night for a three-day visit.

Vagnorius will meet Japanese Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama on Friday to discuss economic cooperation between the two nations.

Japan reestablished full diplomatic relations with Lithuania and the two other Baltic states of Latvia and Estonia last week.

Before arriving in Japan, the Lithuanian premier attended the International Monetary Fund (IMF) and the World Bank meetings in Bangkok.

He will leave for South Korea on Saturday for a three-day visit. He is expected to talk with South Korean President No Tae-u.

Details Investment Desires

OW1810035091 Tokyo KYODO in English 0332 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—Lithuanian Prime Minister Gedimanas Vagnorius called on Japanese Prime Minister Toshiki Kaifu Friday to promote trade and investment in the newly independent Baltic state, a Foreign Ministry official said.

The official quoted Vagnorius as telling Kaifu that Lithuania is seeking to boost trade and investment in order to recover from 50 years of Soviet control.

Vagnorious said that his government is considering establishing investment protection agreements, the official said.

Lithuania will also assume responsibility for repaying debts held by the Soviet Union for economic projects that were conducted on its territory, Vagnorius said.

Kaifu replied that Japan is considering extending assistance via the 24-nation conference aiding Eastern Europe, the official said.

He also invited Lithuania to send five youths and two opinion leaders to visit Japan, and said he hoped to exchange ambassadors soon.

"I attach significance to your visit here so soon after we established full diplomatic relations on October 10," Kaifu was quoted as saying.

He thanked Vagnorius, Lithuania's no. 2 leader, for supporting Japan's successful bid for a nonpermanent seat on the United Nations Security Council, the official said.

On relations with the Soviet Union, Kaifu said Japan and other major industrialized nations are committed to assisting the Soviet Union in revamping its economy.

He explained that Japan has been unable to establish a peace treaty with the Soviet Union due to a dispute over four small islands off Hokkaido, occupied by the Soviets since the end of World War II.

Asked about the prospects for resolving the dispute, Kaifu said he was "neither optimistic nor pessimistic." The Lithuanian leader arrived on a three-day visit Thursday after attending the International Monetary Fund and World Bank meetings in Bangkok.

Speaking later in an interview with KYODO NEWS SERVICE, Vagnorius said he and Kaifu "discussed the need to encourage commercial relations."

"We also suggested that capital flow from Japan to the Baltic states be encouraged," he said.

The Lithuanian premier said Kaifu pledged to consider his offer to conclude a bilateral investment protection agreement, which he added "would be of major assistance to us."

Vagnorius suggested that Lithuania could serve as a "good intermediary" in Japan's trade with the Soviet Union, as well as with Lithuania's Western neighbors.

He said Kaifu told him the issue of appointing a Japanese ambassador to Lithuania will be discussed in the next session of the Diet.

Explains Soviet Troop Pullout

OW1810083391 Tokyo KYODO in English 0740 GMT 18 Oct 91

[Text] Tokyo, Oct. 20 KYODO—Lithuanian Prime Minister Gediminas Vagnorius specified Friday that Lithuania expects a total withdrawal of Soviet troops from the newly-independent Baltic country within 1992.

Vagnorius, who arrived in Tokyo on Thursday for a three-day stay, revealed the anticipated deadline in an interview with KYODO NEWS SERVICE.

"We believe that the troops could be withdrawn in the course of 1992, but the Soviet Union probably has some other interests so we'll have to settle these issues by way of negotiations," Vagnorius said.

Moscow has already removed all its nuclear weapons from the three Baltic states and has promised a gradual pullout of troops that would not be completed until 1994.

Vagnorius estimated the current Soviet troop presence in Lithuania alone stands at 80,000-100,000. Latvia and Estonia are believed to host fewer troops, though the exact number remains a Soviet military secret.

Lithuania holds that the continued presence of Soviet troops in the wake of its winning independence from Moscow after the failed august coup is "absolutely illegal" as it is not based on any treaty or agreement.

Indicating a slight relaxation of the Baltic states' previous tough demand that all Soviet troops vacate their capital cities by December 1, Vagnorius said a pullout "by the end of this year" would be "realistic."

Top Soviet defense officials have said they cannot meet the December 1 deadline because of the critical nationwide housing shortage.

Vagnorius said Lithuania, while economically dependent on the Soviet Union, does not intend to participate in the economic union treaty about to be signed by most of the remaining Soviet republics.

But he said Lithuania is ready to sign a "bilateral agreement" with a new Union after it emerges.

Vagnorius noted Lithuania has already signed bilateral agreements with the individual Soviet republics, including the Russian Federation.

"I really doubt it's just going to be an economic union," the premier said. "More probably it's going to be an economic and political union of a new statehood...or the same state might remain."

Vagnorius predicted Lithuania will be able to conclude an association agreement with the European Free Trade Association (EFTA) before reaching one with the European Community (EC), for which there is a long list of aspirants.

"A lot will depend on the position assumed by the EC member states, as some speak for an EC association agreement, while others support an agreement on cooperation and trade with Lithuania," he said.

Vagnorius suggested the EC countries and other members of the industrialized West would find it to their benefit to boost their support for Lithuania in its transition to a market economy.

Lithuania being a very small country, he said, "The assistance required is not that large, while it would facilitate this tremendous influence that the reform processes in Lithuania are having on the situation in Soviet Union."

Vagnorius is stopping over in Japan and South Korea on his way home from the recent International Monetary Fund (IMF) and World Bank meetings in Bangkok.

He said he urged representatives of the major industrialized countries gathered in the Thai capital to provide Lithuania with money needed for stabilization funds to back up a new currency planned for introduction "sometime next year."

"I believe we will be able to expect some assistance in this particular area."

Vagnorius said another form of aid needed is a fund for investment guarantees, which could be created by the EC members and other European countries.

He hinted his government may eventually extend diplomatic recognition to Moldova, which like the Baltic states was forcibly incorporated into the Soviet Union under a secret Hitler-Stalin agreement shortly before World War II.

"We'll keep observing the process that is taking place there with great interest...and of course Lithuania won't be the most passive country in its relations with Moldova," he said.

So far only Romania, from which Moldova was carved out, has extended the republic diplomatic recognition.

The three Baltic states have already jointly expressed their support for Moldova's "self-determination and independence."

Meets Keidanren Chairman

OW1810134691 Tokyo KYODO in English 1042 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—Visiting Lithuanian Prime Minister Gediminas Vagnorius called Friday for increased exchanges in financial, economic, and cultural fields between Japan and the three newly-independent Baltic countries.

Vagnorius made the request in a meeting with Joichi Aoi, chairman of the Federation of Economic Organization (Keidanren)'s Committee on Eastern Europe and president of Toshiba Corp., at the federation's headquarters in Tokyo.

On the economic situation in Lithuania, Vagnorius said his country is moving toward a market economy and planning to privatize 20-30 percent of state-run enterprises.

The premier arrived in Tokyo on Thursday for a three-day stay on his way home from the recent International Monetary Fund (IMF) and World Bank meetings in Bangkok.

Discusses IMF With Nakayama

OW1810145491 Tokyo KYODO in English 1420 GMT 18 Oct 91

[Text] Tokyo, Oct. 16 KYODO—Japan is supportive of Lithuania's bid for full membership in the International Monetary Fund (IMF) and the World Bank, Foreign Minister Taro Nakayama said Friday.

Foreign Ministry officials said Nakayama made the remarks in two hours of talks with Lithuanian Prime Minister Gediminas Vagnorius, the first top-level official of the newly-independent Baltic state ever to visit Japan.

Vagnorius stopped over in Tokyo Thursday for a three-day visit on his way home from a series of IMF and World Bank meetings in Bangkok.

The officials said Vagnorius told Nakayama he anticipates that Lithuania will gain membership in IMF by the middle of next year.

Nakayama was quoted as saying he "hopes Lithuania will be admitted soon."

Lithuania and the other two Baltic states, Estonia and Latvia, applied the two international financial groupings last month. IMF membership must be achieved before entry into the World Bank.

The officials said the application process can take from six months to two years, but the IMF reportedly told the Baltic states last month a decision on their applications could be made "by the end of this year or the beginning of next year."

Nakayama was said to have pointed out to Vagnorius that in studying the possibility of IMF membership for the Baltics, Japan is looking to see a resolution to the issue of repayment of their portion of Western loans made to the Soviet Union during the period of occupation.

The officials explained that to become an IMF member eligible for loans, a country has to exhibit a commitment and preparedness to repay what is borrowed.

The Baltic states and Moscow have yet to work out their respective shares of responsibility for Western funds which flowed to the Baltics through Moscow, which is now heavily indebted.

Vagnorius told Nakayama that Lithuania is prepared to guarantee repayment of loans that were used for economic projects inside the country's territory.

He added that some of those loans are already being repaid.

But as to funds from Moscow used for space technology and certain military purposes that have nothing to do with present-day Lithuania, the country absolves itself of any related obligations.

Lithuanian officials have said that the country has the right to all military facilities on its territory, as well as part of the armaments, because while it was a part of the Soviet Union it contributed its fair share to the Union's budget.

Last year, Soviet officials said the Baltics would have to pay enormous sums in compensation to the Soviet Union for factories and other infrastructure on their territories as part of any agreement on independence.

But since the failed coup in August and the Baltic's winning of independence, Moscow has reportedly not put forth those demands.

Central Bank Governor on Rate Cut, Soviet Aid

OW1810112891 Tokyo KYODO in English 1056 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno indicated Friday the central bank will not yield to political pressure to lower interest rates, instead sticking to its current monetary policy.

Mieno told a press conference the BOJ sees no need to alter the current money stance, though he will not turn a deaf ear to calls in political and business circles for an early cut in the official discount rate.

His remarks came after Kiichi Miyazawa, who is certain to be Japan's next prime minister, called for an easing of credit in the near future to shore up the weakening economy.

Miyazawa, in an exclusive interview with KYODO NEWS SERVICE earlier in the day, said it is not "too early" to consider lowering interest rates because the Japanese economy, though not yet in a downward phase, is in not-so-good shape either.

Citing still buoyant consumer prices and the tight labor market, Mieno said the BOJ will steer monetary policy while giving top priority to price stability and paying heed to economic situations both at home and overseas.

With recent economic indicators showing clear signs of an economic slowdown, politicians and business leaders, including Eiichi Nakao, minister of international trade and industry, have been mounting campaigns for the BOJ to lower the key rate, which stands at an annual 5.5 percent after a half a percentage point cut on July 1.

Mieno, fresh from a series of international financial gatherings in Bangkok, also denied reports Japan came under pressure from other major industrial nations to cut its official discount rate.

Financial authorities from the Group of Seven (G-7) nations agreed to work for lower interest rates to give a thrust to the sputtering global economy during their meeting in Bangkok over the last weekend.

The central bank chief also ruled out the possibility of lowering interest rates to help slim Japan's resurging trade surplus, which set a new record of 9.75 billion dollars in September, increasing calls for easier credit.

The communique released after the G-7 meeting endorsed a strong yen to reduce Japan's unabated external trade gap, saying, "recent exchange market developments were broadly in line with continued adjustment of external imbalances."

Mieno said credit relaxation at the moment would harm rather than help Japan's effort to rectify the towering surplus because lower rates, among other things, will push down the yen, which in turn makes Japanese exports more competitive.

He also said part of the rebound in the surplus resulted from "special, one-time factors," apparently referring to slower imports of luxury goods due to the collapse of the "bubble economy" and the yen's recent upswing, which makes Japanese exports temporarily more expensive.

"I don't believe the surplus will grow so fast," he said.

Mieno also said it is "premature" to extend extra aid to the ailing Soviet economy, in addition to assistance already pledged by major countries, including Japan's 2.5 billion dollar emergency aid package.

Further assistance, such as a large-scale financial help, should come after the Soviet Union firmly commits itself to fulfilling the four conditions set by the G-7 countries, including improving access to economic statistics and pursuing credible economic reforms, he said.

Akira Hiyoshi Named New Vice Defense Minister

OW1810043891 Tokyo KYODO in English 0418 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—The government on Friday named Akira Hiyoshi, the director of the Secretariat at the Defense Agency, as new vice defense minister succeeding Tomoji Yoda.

Hiyoshi, who entered the Finance Ministry in 1959, previously served as director of the agency's defense policy bureau.

The government also appointed Yoshio Kodama, 57, director general of the Defense Facilities Administration Agency, as chief of the Cabinet Security Affairs Office, to replace Ichiro Yoneyama.

The appointments of Hiyoshi and Kodama were approved at a regular cabinet meeting held Friday morning, officials said.

KYODO Interviews LDP Candidate Miyazawa

Wants Credit Policy Eased

OW1810091591 Tokyo KYODO in English 0733 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—Kiichi Miyazawa, likely to be Japan's next prime minister, called Friday for a swift change in monetary policy, describing the domestic economic situation as "not good."

"Japan's economy is not in good shape, if not bad, and it is not too early to consider implementing a policy to stimulate the economy, including an interest rate cut," he said in an interview with KYODO NEWS SERVICE.

Turning to the deadlocked farm trade issue in the Uruguay Round of Multilateral Trade Talks, Miyazawa said it would be difficult to reach a comprehensive agreement because the United States, Britain, France, and other nations have their own problems.

He took a cautious attitude on proposals for Japan to impose tariffs on imported rice as a step toward liberalization of its rice market.

Japan has resisted pressure to lift a ban on rice imports, insisting it will pursue a policy of self-sufficiency in rice production.

Miyazawa, a former finance minister, is regarded as the strongest contender to succeed Toshiki Kaifu as Japan's new prime minister because he has the support of three ruling Liberal Democratic Party [LDP] factions.

He will run against two rivals in the LDP presidential election scheduled for October 27.

Comments on U.S.-Japan Relations

OW1810112491 Tokyo KYODO in English 0926 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—Kiichi Miyazawa, widely expected to become Japan's next prime minister, advised the United States on Friday to either buy more from Europe or improve its industrial competitiveness if it wishes to reduce the trade deficit with Japan.

"We have done almost all we can do, but somehow the trade balance between Japan and the United States does not improve," Miyazawa, a former finance minister, told foreign correspondents.

He strongly rejected pressures by the U.S. auto industry to further restrict Japanese automobile imports.

While Japanese companies operating in the U.S. should make greater efforts to procure parts locally, Miyazawa said restrictions on automobile imports from Japan, including vehicles made at Japanese plants in the U.S., would be "unreasonable."

Chrysler Corp. Chairman Lee Iacocca suggested earlier this week the U.S. follow Europe in establishing market share limits for Japan.

Japan holds about 25 percent of the U.S. market.

Trade restrictions are no longer an option for balancing trade because the U.S. economy is dependent on Japan not only for consumer products, but also for components for defense systems and capital goods, Miyazawa said.

His comments come amid signs trade frictions are starting to simmer again after Japan's total trade surplus surged to a record 9.8 billion dollars in September, marking a 41.7 percent increase from the previous year.

Japan's September trade surplus with the United States increased by 7.1 percent over the previous year, marking the second consecutive monthly rise.

While painting a gloomy picture for economic relations, Miyazawa expressed admiration for the United States as a "great nation" of citizens who are "honest, hard working, and decent," and said he hoped to continue strengthening friendly relations.

"America faces many social problems such as the homeless, education, and drugs, but the American people have the will to correct these problems," he said.

A confident English speaker whose ties with the United States date back to before World War II, Miyazawa, 72, said he has no anxiety frictions will worsen on the occasion of the 50th anniversary of Japan's attack on Pearl Harbor.

He said the December 7 anniversary would provide a useful opportunity for Japan and the U.S. to consider how to build relations over the next half century, and how they can best cooperate in international affairs.

Miyazawa is expected to be elected October 27 as president of the ruling Liberal Democratic Party [LDP], and thus succeed Prime Minister Toshiki Kaifu, who's two-year term as LDP leader ends on October 30.

On agricultural liberalization, another testy trade issue, Miyazawa said he does not expect any major breakthrough in the near future.

Both the United States and European Community have many obstacles that will prevent them from agreeing on ways to liberalize their markets, he said.

In a separate interview with KYODO news service earlier in the day, Miyazawa expressed caution on a U.S. proposal to replace trade barriers with tariffs, a plan that would force Japan to open its market to rice imports.

Japan adheres to a policy of protecting self-sufficiency in rice production, but Miyazawa said Tokyo would not block a solution if all countries make concessions.

Looking further in the future, Miyazawa indicated Japan may be shifting more attention to Asia, which he predicted could exceed North America in economic growth in 20 years.

At home, Miyazawa said Japan must boost economic growth if it is to raise financial resources needed to continue improving its own social infrastructure, and increase its international contributions.

In the KYODO interview, Miyazawa suggested it would be necessary to reduce the official discount rate.

Miyazawa Wins 30 Recommendations From LDP

OW1710144291 Tokyo KYODO in English 1409 GMT 17 Oct 91

[Text] Tokyo, Oct. 17 KYODO—Three Liberal Democratic Party (LDP) factions, backing the strongest party presidential candidate Kiichi Miyazawa, on Thursday registered 30 recommendations for him as next LDP president, two days before the election race officially starts.

Miyazawa's own faction met those headed by former Prime Minister Noboru Takeshita and former State Minister Toshio Komoto to discuss the election to be held October 27, faction members said.

The list of recommendations comprises 10 parliamentarians each from his own and the Takeshita faction, nine from the Komoto faction, and former chief cabinet secretary Masaharu Gotoda, who does not belong to any faction.

Candidates must be recommended by at least 30 party parliamentarians to be eligible to run in the party's presidential election, according to party rules.

Miyazawa stayed in his office most of Thursday and was briefed by a senior Foreign Ministry official on overall foreign affairs, according to his supporters.

Miyazawa is virtually assured of becoming the party's next president to succeed Prime Minister Toshiki Kaifu since winning the support of the Takeshita faction, the party's largest.

The two other contenders—Hiroshi Mitsuzuka and Michio Watanabe—continued their campaigns to gain support from LDP parliamentarians and rank-and-file party members.

Amid speculation over a possible spilt in his faction, Mitsuzuka held a press conference with foreign reporters, while Watanabe addressed his parliamentary supporters.

Business Leaders Support Miyazawa Presidency

OW1710131091 Tokyo KYODO in English 0952 GMT 17 Oct 91

[Text] Tokyo, Oct. 17 KYODO—Two Japanese business leaders on Thursday expressed support of conservative politician Kiichi Miyazawa, who is assured of becoming Japan's next prime minister.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), and Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, were commenting at a news conference on the prospects of a Miyazawa administration.

Miyazawa recently obtained endorsement from the largest power bloc of the ruling Liberal Democratic Party (LDP) for the party presidency, which carries the post of prime minister.

Hiraiwa praised Miyazawa as a "pretty straightforward man, with a streak of stubbornness."

He expressed doubts over a selection of a younger man as prime minister, saying that would make things difficult in the seniority- oriented Japanese political world.

Miyazawa is 72.

Ishikawa said he counts on Miyazawa for his acumen and sensitiveness.

Discussing Japan's foreign and defense policies, Ishikawa said Japanese no longer can continue to depend on protection under the U.S. nuclear umbrella and needs to discuss a possible revision of the war-renouncing Constitution.

More LDP Mitsuzuka Faction Members Quit

OW1810104591 Tokyo KYODO in English 0746 GMT 18 Oct 91

[Text] Tokyo, Oct. 18 KYODO—Three more Diet members quit a powerful faction in the ruling Liberal Democratic Party (LDP) on Friday, reducing the number in the party's second-largest faction to 83 from previous 89.

Former Transport Minister Hiroshi Mitsuzuka, leader of the faction and one of three declared candidates in the October 27 LDP presidential election, said he regretted the departures, saying they were the result of his lack of virtue.

"Mitsuzuka personally has lots of faults, but I will do my best, tasting a heavy responsibility as head of the Seiwakai (Mitsuzuka faction)."

Former Home Affairs Minister Takenori Kato, a member of the House of Councilors, former Defense Agency Director General Juro Matsumoto, and Masami Tanabu, chairman of the LDP's National Campaign Headquarters, resigned from the faction Friday.

Tanabu and Matsumoto also are members of the House of Representatives.

They left in anger at the faction's decision to expel Mutsuki Kato, chairman of the LDP's Policy Affairs Research Council, because he rebelled against Mitsuzuka's candidacy. Takenori is Mutsuki Kato's elder brother.

Kato has declared he will endorse the candidate chosen by the largest faction founded by former Prime Minister Noboru Takeshita.

Veteran politician Kiichi Miyazawa is virtually assured of becoming Japan's next prime minister, replacing Toshiki Kaifu, because the 105-member Takeshita faction last Friday decided to back him in the party race.

The LDP president automatically becomes prime minister since the governing party enjoys a comfortable majority in the powerful Lower House.

On Thursday, Home Affairs Minister Akira Fukida and Hiroyuki Kurata resigned from the Mitsuzuka faction.

Fukida told his faction boss that he and Kurata were joining a splinter group led by Mutsuki Kato.

Miyazawa leads a 82-member faction and another declared contender, Michio Watanabe, a former finance minister, is the leader of the fourth largest faction with 70 LDP Diet members.

The LDP will accept registration of candidates Saturday for the presidential election.

Mongolia

Diplomatic Ties Established With Latvia 15 Oct

OW1610042891 Beijing XINHUA in English 0149 GMT 16 Oct 91

[Text] Ulaanbaatar, October 15 (XINHUA)—Mongolia and Latvia established diplomatic relations as of today, the official media here reported.

Latvia is the 109th country with which Mongolia has had diplomatic ties.

North Korea

Editorial Lauds Kim Il-song's Visit to PRC

SK1810005091 Pyongyang Korean Central Broadcasting Network in Korean 0117 GMT 16 Oct 91

[NODONG SINMUN 16 October editorial: "The Korean-Chinese Friendship Will Be Immortal"]

[Text] The great leader Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK, has returned from a visit to China. He was invited by Comrade Jiang Zemin, general secretary of the CPC Central Committee, and Comrade Yang Shangkun, president of the PRC.

All the Korean people, looking up with warm admiration to the respected and beloved leader Comrade Kim Il-song, who has accomplished new immortal exploits in strengthening Korean- Chinese friendship through another historical visit to China, the closest comrade-in-arms of countries, are now excited with inexhaustible joy.

The great leader Comrade Kim Il-song's visit to China this time was conducted amid great concern of the Korean and Chinese people and the attention of the world's people.

During his stay in China, the great leader comrade received enthusiastic welcome and warm hospitality from the Chinese party and state leaders and from the fraternal Chinese people wherever he went. Our people are grateful to the fraternal Chinese people for having welcomed the respected and beloved Comrade Kim Il-song with boundless respect, admiration, and sincerity.

Talks and conversation overflowing with camaraderie were held between the great leader Comrade Kim Il-song and the Chinese party and state leaders, such as Comrades Jiang Zemin, Yang Shangkun, and Li Peng.

The great leader Comrade Kim Il-song's visit to China this time was an event of historical proportions. It once again powerfully demonstrated the solidity and invincibility of the traditional Korean-Chinese friendship, the firm and unwavering faith and will of the two countries' parties and people in the socialist cause, and solidified and developed it even further in conformity with the demand of the developing situation.

The Korean and Chinese people forged relations of exceptional friendship early on. The great leader Comrade Kim Il-song has stated: The Korean-Chinese friendship is an invincible one forged in blood in the struggle waged to realize common objectives and ideals and cemented in the course of braving all manner of difficulties.

The Korean and Chinese people are close comrades-in-arms who have identified their fate with each other's over the long historical period and shared life and death, weal and woe on the road of arduous struggle.

The friendship between the two parties and two countries of Korea and China was forged in blood in their joint struggle against imperialism and for the victory of peace and the socialist cause. This friendship constantly pulsates vigorously in all circumstances without wavering.

The Korean-Chinese friendship is a great friendship built on the historically deep and tenacious roots established and nurtured by Comrade Kim Il-song, the great leader of the Korean people; Comrade Mao Zedong, the great leader of the Chinese people; esteemed Comrade Zhou Enlai; and Comrade Deng Xiaoping.

This traditional Korean-Chinese friendship is continually strengthened and developed, thanks to the friendly relations between the two countries' leaders that are growing warmer with the passage of time.

The great leader Comrade Kim Il-song's visit to China this time was a new, meaningful event showing that the mutual visits between the Korean and Chinese party and state leaders and their personal friendship continue invariably and that the friendship and unity between the Korean and Chinese people grow warmer with each passing day.

The whole course of the great leader Comrade Kim Il-song's visit to China, the sincere and comradely dialogues between the two countries' leaders, and the emotional meetings with many fraternal Chinese people clearly prove that the traditional Korean- Chinese friendship is being cemented more firmly on the one road of the struggle for the victory of the joint cause of socialism.

Today the parties and people of the two countries of Korea and China are striving to defend the revolutionary gains already won through their arduous struggle, to win the victory of the socialist cause ahead of schedule by manifesting together the superiority and vitality of their countries' socialism, and to safeguard peace in Asia and the rest of the world.

The Chinese revolution, which was triumphantly pioneered and developed by Comrades Mao Zedong, Zhou Enlai, and Deng Xiaoping, is being carried forward creditably by the Chinese leaders of the new generation.

The fraternal Chinese people are firmly uniting around the CPC with Comrade Jiang Zemin at the core to firmly adhere to the four cardinal principles; are intensifying reform and openness to adhere to the socialist road amid the current complicated international situation; and are vigorously moving forward to realize the second stage of the strategic goal of building a modern socialism with Chinese characteristics.

Under the wise leadership of the party Central Committee headed by the respected and beloved Comrade Kim Il-song, the Korean people are highly upholding the banner of the three revolutions—ideological, technological, and cultural—thus bringing about new upsurges in all fronts of the socialist construction and in strengthening in every way the might of the socialism of our own style.

Through the long period of their experiences in actual life, the people of the two countries of Korea and China are deeply convinced that only the socialist road is the one for a true life and social progress.

The people of the two countries of Korea and China are actively supporting the road for the reunification of the fatherland.

Our party and people express firm solidarity with the Communist Party and people of China in their struggle of opposing the maneuver to fabricate two Chinas and in realizing the reunification of the whole country on the principle of one country, two systems.

Our nation's life-and-death desperate demand is to ease tension and guarantee peace on the Korean peninsula and to achieve the nation's independent and peaceful reunification. This is also an important guarantee in safeguarding peace and security in Asia and the rest of the world.

The party and state leaders of China and the fraternal Chinese people once again expressed complete support and firm solidarity in our people's struggle to achieve socialist construction and the fatherland's reunification.

The successful visit to China once again by the great leader Comrade Kim Il-song shows that relations between the two countries of Korea and China are not ordinary and that they will be immortal in the road to achieve the common goals and ideal.

Our people treasure as most important the Korean-Chinese friendship, which is constantly being consolidated and developed through visits and contacts between the two countries' leaders, and will glorify it generation after generation.

Friendship between Korea and China that was forged by blood and that overcame all kinds of historical trials will in the future be advanced more beautifully in the common struggle to advocate, adhere to, and develop socialism.

PRC Leaders Reply to Kim Il-song's Greetings

SK1810004691 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Oct 91

[Text] The great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and president of the DPRK, received a message from the PRC party and state leaders in reply to his greetings to them on the 42d anniversary of the PRC's founding.

The message of reply reads:

Pyongyang,

Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK:

We thank you from the bottom of our hearts for your warm congratulations to us on the 42d anniversary of the PRC's founding. Your successful recent visit to our country will lend an impetus to the continuous development of the friendly and cooperative relations between our two parties, two countries, and two peoples.

We will make continuous efforts in the future, as we did in the past, to solidify and develop the great Chinese-Korean friendship. Availing ourselves of this opportunity, we wish the Korean people even more affluent success in the socialist revolution and socialist construction under your leadership and the WPK's leadership. Also, we wish you greater success in your work of leading the party and the state.

Jiang Zemin, general secretary of the CPC Central Committee; Yang Shangkun, president of the PRC; and Wan Li, chairman of the Standing Committee of the PRC National People's Congress.
16 October 1991, Beijing.

Chinese Newspaper Delegation Visits Mangyongdae

SK1810094991 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 12 Oct 91

[Text] A delegation of the Chinese paper RENMIN RIBAO visited Mangyongdae.

The guests first visited the Mangyongdae native home where the great leader Comrade Kim Il-song was born and where he spent his childhood. While hearing about the immortal story in the house of history, they carefully toured the relics that are being preserved.

In commemoration of their visit to the Mangyongdae native home, the guests had a picture taken. Then they toured the relics of the revolution on Mangyong Peak.

The delegation also visited the West lock. The head of the delegation said that, thanks to the leadership of the great President Kim Il-song and the Workers Party of Korea, the Korean people had built an outstanding grand lock. He added that he sincerely congratulates the Korean people on their success in socialist construction.

In addition, they visited various sites in Pyongyang and local cities, such as the Tower of the Chuche Idea, the arch of triumph, the museum of the victorious Fatherland Liberation War, Kim Il-song University, the People's Grand Study Hall, and the Taean heavy machine complex. Then they went to an acrobatic performance.

Premier Meets Delegation

SK1510111091 Pyongyang KCNA in English 1047 GMT 15 Oct 91

[Text] Pyongyang October 15 (KCNA)—Yon Hyong-muk, premier of the Administration Council, met and had a friendly conversation with the delegation of the Chinese PEOPLE'S DAILY headed by editor- in-chief Shao Huaze at the Mansudae Assembly Hall today.

Present there were Editor-in-chief of NODONG SINMUN Hyon Chun- kuk and charge d'affaires ad-interim of the Chinese Embassy here Chiang Zhengcai.

Noting that the historical visit to China by respected President Kim Il-song this time was a great event in strengthening and developing friendship established with blood between the peoples of China and Korea, the head of the delegation extended congratulations to President Kim Il-song on the fine success of his visit to China.

He said during their stay they visited various places and learned well about the successes gained by the Korean people under the leadership of the Workers' Party of Korea and keenly felt the feelings of friendship the Korean people cherish toward the Chinese people.

Noting that reunification through a confederacy based on one nation, one state, two systems and two governments, a proposal of President Kim Il-song for the reunification of Korea, is a most just proposal for reunification, he expressed the belief that the reunification of Korea would be realized without fail according to this proposal.

Trade Union Urges U.S. Nuclear Withdrawal

SK1410153491 Pyongyang KCNA in English 1515 GMT 14 Oct 91

[Text] Pyongyang October 14 (KCNA)—We will follow how the nuclear disarmament the United States committed to the world is realised in South Korea, says Won Tong-ku, chairman of the Central Committee of the General Federation of Trade Unions of Korea, in a statement given to the press today.

As the United States recently admitted that its nuclear weapons exist in South Korea and recognized the necessity of the withdrawal of nuclear weapons from there, its preposterous assertion that our signing of a nuclear safeguards accord is one thing and the withdrawal of the U.S. nuclear weapons from South Korea is another can no longer work, he says, and continues:

This notwithstanding, as soon as the United States made public the nuclear disarmament proposal, the South Korean puppets, finding themselves on pins and needles, are claiming that the U.S. protection of South Korea by nuclear umbrella should continue.

The South Korean authorities, mindful that if they continue flunkeyist-treacherous acts they have nothing to get, must immediately respond to the denuclearization of the Korean peninsula before it is too late.

If the United States wants to withdraw nuclear weapons, it should do it first from South Korea fraught with the greatest danger of a nuclear war.

We the entire workers and unionists strongly demand that the United States, as it already stated, not only withdraw its nuclear weapons completely and totally, not partially, from the ground, sea and air of South Korea but also get its troops, their companions, out of South Korea as required by the time.

U.S., South 16 Oct Military Exercises Reported

*SK1810052891 Pyongyang KCNA in English
0430 GMT 18 Oct 91*

[Text] Pyongyang October 18 (KCNA)—The U.S. Pacific Air Force Command on October 16 staged a joint air-to-ground strike exercise against the North, according to military sources.

Mobilized in this war exercise staged in the sky above the areas of Yoju, Kunwi and Wonju of South Korea were several formations of overseas-based fighter planes and some 170 fighter-bombers and assault planes including F-16, F-15, F-5 and A-37 of the U.S. Seventh Air Force present in South Korea and the puppet air force.

That day the U.S. imperialists sent a U-2 high-altitude strategic reconnaissance plane, RC-12 and other Army tactical reconnaissance planes to the sky above the area of the Military Demarcation Line [MDL] for an aerial espionage.

In a separate action, the South Korean puppets provocatively fired guns at an area near the MDL. Tank groups which were gathered in the area adjacent Kumpa-ri, Paju County, on October 16 fired more than 30 shells, moving toward the MDL and earlier, 105 mm gun groups of the puppet army which were moved to the area near Oksan-ri, Yonchon County, fired volleys at an area near the MDL.

This shows how frantically the U.S. imperialists and the South Korean authorities are moving in their attempt to invade the North.

Yon Hyong-muk Meets UNDP Regional Director

*SK1710102791 Pyongyang KCNA in English
1015 GMT 17 Oct 91*

[Text] Pyongyang October 17 (KCNA)—Yon Hyong-muk, premier of the Administration Council, met and had a friendly talk at the Mansudae Assembly Hall today with K.G. Singh, assistant administrator and director of regional bureau for Asia and Pacific of the United Nations Development Programme [UNDP].

Present on the occasion were Yi Song-nok, vice-minister of foreign trade, and Henning Karcher, representative of the UNDP in Korea.

Japan-Korea Friendship Meeting Held in Kyoto

*SK1710112791 Pyongyang KCNA in English
0957 GMT 17 Oct 91*

[Text] Kyoto October 15 (KNS-KCNA)—The third meeting of Japan-Korea Friendship and a small performance of the Pochonbo Light Music Troupe was held at the Kyoto Grand Hotel in Kyoto on October 15.

The meeting was attended by Shin Kanemaru, Liberal-Democratic member of the House of Representatives and former deputy prime minister of Japan; Makoto Tanabe, chairman of the Central Executive Committee of the Japan Social-Democratic Party; Kosho Mizutani, representative of the committee to welcome the Pochonbo Light Music Troupe; Hiromu Nonaka and Bummei Ibuki, Liberal-Democratic members of the House of Representatives; Yukio Hayashita, Liberal-Democratic member of the House of Councillors and former justice minister; Hajime Fukada, Social-Democratic member of the House of Councillors and director of the Organisational Department of the Japan Social-Democratic Party; Yukio Takemura, Social-Democratic member of the House of Representatives; Katsuhiko Takeuchi, Komei member of the House of Representatives; and other Dietmen from different political parties; Deiichi Aramaki, governor of Kyoto Prefecture; Chenichi Tokuda, chairman of the Kyoto Prefectural Assembly; Tomoyuki Tanabe, mayor of Kyoto; Taichiro Takahashi, chairman of the Kyoto City Assembly; and other mayors and members of the prefectural and city assemblies and prominent figures of different circles in Kyoto Prefecture.

Head Choe Sang-kun and adviser Kang Chu-il and some other leading members of the Pochonbo Light Music Troupe were present at the meeting.

The meeting was addressed by the governor of Kyoto Prefecture, the mayor of Kyoto and the leader of the Kyoto Chamber of Commerce.

They said they were happy to see the performance of the Pochonbo Light Music Troupe in Kyoto which has deep friendship and exchanges with the DPRK at a significant time marking the first anniversary of the publication of the joint declaration of the Liberal- Democratic Party and the Social-Democratic Party of Japan and the Workers' Party of Korea. The performance will greatly contribute to strengthening the friendship and bonds between Japan and Korea, they added.

The normalisation of Japan-DPRK diplomatic relations will not only deepen the friendly relations between Japan and the DPRK but also contribute to peace and stability in Asia and the world, they noted.

Pointing out that the moves to normalise diplomatic relations between the two countries such as intergovernmental negotiation entered a new stage after the publication of the joint declaration, they expressed the belief that the exchanges between the two countries including diplomatic contact would be promoted in a right direction.

Choe Sang-kun spoke next.

He expressed deep thanks to friendly personages in the political and public circles, culture and art and the press of Japan for devotedly working to improve the relations between Korea and Japan and develop mutual understanding and friendship between the two peoples under the motto of promotion of friendship between Korea and Japan.

Shin Kanemaru also made a speech.

After recalling with deep emotion the course up to the publication of the three-party joint declaration, he said his desire was to solve the problem of normalising diplomatic relations between Japan and the DPRK even at the cost of his career as a politician.

There are some people who criticise him, he noted, adding that he would entrust the historians of the future with judging what he had done. The improvement of Japan-DPRK relations would contribute to peace in Japan and Korea, the rest of Asia and the world, he said, stressing that he would direct greatest attention to this matter.

Makoto Tanabe spoke next.

Dwelling on the principles of the improvement of Japan-DPRK relations, he said that the diplomatic relations have not yet been normalised although one year has passed since the publication of the joint declaration of the three parties.

He vowed to positively work to normalise the diplomatic relations and arrange a congratulatory meeting and called for cooperating with one another.

The Pochonbo Light Music Troupe gave a small performance.

Koreans in Japan Demand End to Discrimination

SK1410102891 Pyongyang KCNA in English 1008 GMT 14 Oct 91

[Text] Tokyo October 12 (KNS-KCNA)—The "special immigration law" the keynote of which is special residence and the extension of the validity term of the reentry permit is to be enforced from next month. In this connection, Kim Ki-chol, director of the Social Affairs Department of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and other representatives went to the Japanese Ministry of Justice on October 7 and demanded no discrimination in its application.

When they met the councillor of the Immigration Bureau and others of the Ministry of Justice they said discriminating treatment is going on even on the threshold of the enforcement of the "special law", and strongly demanded an end to it in conformity with the purport of the "special law".

And the representatives demanded that a letter requesting practical steps to do away with the permanent carrying of the "aliens registration card" and other penal systems be handed to the minister of justice, taking into consideration the trend of the times toward the normalisation of diplomatic relations between the DPRK and Japan, the special historical conditions of Korean residents in Japan and their livelihood based in Japan.

PLO Leader Yasir 'Arafat Greets Kim Il-song

SK1810093691 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 14 Oct 91

[Reply from Palestinian President Yasir 'Arafat to DPRK President Kim Il-song—read by announcer]

[Text] Pyongyang:

To Your Excellency Comrade Kim Il-song, president of the DPRK.

I extend revolutionary greetings to your excellency Comrade President Kim Il-song. I am very pleased to have received your outstanding message congratulating on my reelection as president of the State of Palestine and chairman of the Executive Committee of the Palestinian Liberation Organization.

I am happy that on behalf of the people of Palestine and my brother members of the PLO Executive Committee I can express my deep thanks and respect to Your Excellency, your government, and the friendly Korean people for your warmest greetings, wishes, and solidarity conveyed in your congratulatory message.

The friendly DPRK Government and people support and encourage our people's national struggle and brave uprising to secure a just peace under the leadership of the PLO, the only legal representative, and to restore their national rights. These rights include the return of their territory by ending Israel's occupation, the right of self-determination, and the right to establish the independent state of Palestine.

I take this opportunity to extend my sincerest thanks for this to Your Excellency.

We are firmly resolved to continue struggling to restore complete peace while overcoming difficulties.

We fully support the Korean people's struggle for the independent and peaceful reunification of Korea. We hope that we can continue developing the friendly and cooperative relations between the DPRK and Palestinian State in conformity with the interests of the two countries' friendly people and in the cause of world peace.

I thank you again for your earnest greetings. I wish Your Excellency a long and happy life. I also wish your people constant progress and prosperity in their work.

I send my noblest respect to Your Excellency, the great friend of our people.

[Signed] Yasir 'Arafat, president of the State of Palestine and chairman of the Executive Committee of the Palestinian Liberation Organization
[Dated] 7 October 1991, Tunis.

Kim Il-song Meets Ugandan Military Delegation

SK1810111491 Pyongyang KCNA in English 1011 GMT 18 Oct 91

[Text] Pyongyang October 18 (KCNA)—The great leader President Kim Il-song today received the Ugandan military delegation headed by Chief of Staff of the National Resistance Army of Uganda Brigadier Samuel James Nanyumba on a visit to our country.

Present there were chief of the General Staff of the Korean People's Army Choe Kwang and Colonel General of the Korean People's Army Chon Chae-son.

President Kim Il-song had a conversation with the guests in a cordial and friendly atmosphere.

He received a gift from them.

South Said Practicing 'Antireunification Stand'

SK1510151691 Pyongyang KCNA in English 1457 GMT 15 Oct 91

["Dastardly Trick of Anti-Peace, Anti-Reunification Elements" —KCNA headline]

[Text] Pyongyang October 15 (KCNA)—Papers here today comment on the anti-peace, anti-reunification stand of the South Korean rulers.

On the 11th of October, Yi Chong-ku, puppet defence minister of South Korea, driveled that as long as there exists the "danger of attack from the North" as today the U.S. troop reduction cannot be considered because it will "imperil their security" and that "arms reduction" of the South and the North should come after "mutual confidence" building for its "effectiveness".

On the same day, the puppet foreign minister said although the North and the U.N. forces signed the armistice agreement South Korea is the "real party concerned," contending that the question of replacing the armistice agreement by a peace agreement is not a matter to be discussed in the U.N. and it should be solved through negotiations between the North and the South.

A news analyst of NODONG SINMUN notes that this is an anti- national outburst openly revealing the sinister intention of the South Korean puppets to keep the U.S. nuclear weapons and troops in South Korea, block the adoption of a nonaggression declaration between the North and the South and the replacement of the armistice agreement by a peace agreement and maintain the present confrontation system.

The news analyst further says:

As the world public recognises, the danger of war on the Korean peninsula is attributable to the deployment of the U.S. forces and more than 1,000 pieces of their nuclear weapons in South Korea and the never-ceasing war manoeuvrings of the U.S. imperialists and the South Korean puppets against the North. Their balderdash about "threat,""security" and the like only goes to betray the despicable color of the flunkeyist traitors and war servants who are trying to keep the U.S. forces and nuclear weapons deployed in South Korea at any cost and live under their protection.

The ulterior intention of the No Tae-u group is to hamper the replacement of the Korean Armistice Agreement by a peace agreement and prevent U.S. troop pullout from South Korea with a ridiculous talk about the "party concerned".

MINJU CHOSON in a signed commentary demands that the South Korean puppets look squarely at the demand of the nation and the current of the times and act with discretion.

N-S Dialogue Must Concentrate on Reunification

SK1810105891 Pyongyang KCNA in English 1004 GMT 18 Oct 91

["North-South Dialogue Must Be One for Reunification"—KCNA headline]

[Text] Pyongyang October 18 (KCNA)—The North-South dialogue must be one for reunification, says NODONG SINMUN today in a by- lined article with the 4th North-South high-level talks at hand.

The article quotes the great leader Comrade Kim Il-song as saying:

"The dialogue between the North and the South must be a dialogue only for the country's reunification and a dialogue to contribute to the cause of national reunification in a practical manner."

It continues:

If the dialogue between the North and the South is to be one for the country's reunification, both sides must, first of all, have a correct stand and position to dialogue.

Specially important here is to make sincere efforts for the promotion of the dialogue from a patriotic stand that Korea is one and must be reunified into one.

If the North-South dialogue is to be a practical negotiation for the solution of the question of reunification, the South Korean authorities should replace their stand of confrontation and division with the stand of reconciliation, unity and reunification.

In order to make the North-South dialogue a medium for reunification, both sides must abide by the principle of starting to solve the reunification question from essential problems on the basis of the three principles of national reunification—independence, peaceful reunification and great national unity.

Today the matter of primary importance in the solution of the problem of national reunification on the three principles agreed by both sides is to remove the acute political and military confrontation between the North and the South and adopt a non- aggression declaration between the North and the South in particular.

To make the North-South dialogue a dialogue for reunification, the door of dialogue should be widely opened to make it possible to democratically mirror the will and demand of the nation.

The South Korean authorities must not try to monopolize the dialogue as now but must allow broad masses of all strata to participate in the dialogue and provide all conditions for them. To this end, they must pull down the wall of division and remove all political and legal obstacles including the infamous "national security law".

It is a consistent stand of our party and government to solve the question of the country's reunification by developing the North- South dialogue. We will continually make all sincere efforts to achieve the country's reunification in a peaceful way through the dialogue and negotiation between the North and the South in the future, too.

Whether the dialogue between the North and the South becomes a dialogue for reunification or not, depends entirely on the attitude of the South Korean authorities.

O Chin-u, Others at Sergeant Majors Meeting

SK1710152391 Pyongyang KCNA in English 1459 GMT 17 Oct 91

[Text] Pyongyang October 17 (KCNA)—A meeting of sergeant majors of the Korean People's Army [KPA] has opened at the Pyongyang indoor stadium today.

The meeting will sum up the implementation of the teachings given by the great leader President Kim Il-song at the closing ceremony of the short course for sergeant majors of the KPA on October 25, 1979 and discuss measures to further enhance the role of sergeant majors in keeping with the new requirements of the developing revolution so as to strengthen companies and turn the whole Army into steel-like combat units.

Present at the meeting are O Chin-u, presidium member of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea [WPK], vice-chairman of the National Defence Commission of the Democratic People's Republic of Korea, member of the Central Military Commission of the party and minister of People's Armed Forces, KPA generals, model sergeant majors and commanding officers.

O Chin-u conveyed a congratulatory message of the WPK Central Committee to the participants in the meeting.

The message says the sergeant majors have helped company commanders and political instructors make all the servicemen do well in military service and remain faithful and devoted to the party and the leader.

Noting that they have made a positive contribution to fully ensuring the combat and political training of the companies and establishing a voluntary and revolutionary discipline and order within companies, the message says the WPK Central Committee highly estimates it.

The sergeant majors should actively help all the servicemen prepare themselves as a-match-for-a-hundred soldiers, make mass cultural and sports work a part of daily life to get the companies full of revolutionary optimism and militant spirit and, at the same time, set example by their own deeds in all aspects and lead soldiers, it stresses.

The congratulatory message stresses that the sergeant majors of the People's Army should lead a militant life always in an intense and mobilised posture and keep themselves in a full readiness to cope with the present situation in which the U.S. imperialists and their stooges are daily intensifying their new war provocation manoeuvrings.

Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea, vice-chairman of the National Defence Commission of the Democratic People's Republic of Korea, member of the Central Military Commission of the party and chief of general staff of the Korean People's Army, delivered a report at the meeting.

The reporter said our revolutionary armed forces under the seasoned guidance of the respected leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il has firmly guaranteed the revolutionary cause of chuche by force of arms.

The achievements gained in the endeavours to carry through the highly important teachings of the great leader over the last 10 odd years show that the sergeant majors have firmly prepared themselves to be true loyalists and filial sons upholding the party's monolithic leadership with fidelity and greatly contributed to building up the economic life of companies assiduously and tenaciously and establishing a revolutionary and optimistic way of life in companies, he pointed out, and continued:

He called for bringing a new revolutionary turn in the work to strengthen the companies of the People's Army by carrying through the highly important teachings of the great leader at the closing ceremony of the short course for the sergeant majors of the Korean People's Army and the tasks laid down in the congratulatory message of the party Central Committee to the current meeting, taking them as the guideline.

Then followed speeches at the meeting.

A congratulatory group of heroes of the Korean People's Army and a congratulatory group of students of the Mangyongdae Revolutionary School entered the meeting hall and read out congratulatory messages to the meeting of sergeant majors of the KPA.

The meeting continues.

Kim Il-song Meets Sergeant Majors

SK1810104691 Pyongyang KCNA in English 0957 GMT 18 Oct 91

[Text] Pyongyang October 18 (KCNA)—The great leader President Kim Il-song met and congratulated the participants in the meeting of sergeant majors of the Korean People's Army (KPA) on October 16.

The participants enthusiastically welcomed President Kim Il-song, raising stormy cheers of "hurrah!"

Present on the occasion were Comrade Kim Chong-il, member of the Presidium of the Political Bureau of the Central Committee [C.C.] of the Workers' Party of Korea [WPK], first vice-chairman of the National Defence Commission of the Democratic People's Republic of Korea, member of the Central Military Commission of the party and secretary of the party Central Committee; O Chin-u, member of the Presidium of the Political Bureau of the C.C., WPK, vice-chairman of the DPRK National Defence Commission, member of the Central Military Commission of the party and minister of People's Armed Forces; Choe Kwang, member of the Political Bureau of the C.C., WPK, vice- chairman of the DPRK National Defence Commission, member of the Central Military Commission of the party and chief of General Staff of the KPA; Kim Chol-man, alternate member of the Political Bureau of the C.C., WPK and member of the DPRK National Defence Commission; Yi Ha-il, member of the C.C., WPK and member of the DPRK National Defence Commission and department director of the C.C., WPK; General Kim Tu-nam, member of the C.C., WPK; Generals Yi Ul-sol, Chu To-il, Kim Kwang-chin and Kim Pong-yul, members of the C.C., WPK and members of the DPRK National Defence Commission; General Chon Mun- sop and Colonel General Yi Pong-won, members of the C.C., WPK; and other generals of the KPA.

President Kim Il-song congratulated the participants in the meeting who have contributed to strengthening companies to be a-match-for-a-hundred combat units by creditably discharging their duties and role as the helper of the commanders and political instructors of the companies and the eldest brother of the company soldiers. And posed for a photograph with them.

The entire participants in the meeting were determined to bring about a fresh turn in the management of the companies under the wise leadership of the party and the leader so as to positively contribute to increasing the might of the whole Army and reliably guaranteeing the cause of our party, the socialist cause by force of arms.

Meeting Marks Founding of Anti-Imperialist Union

SK1610153691 Pyongyang KCNA in English 1503 GMT 16 Oct 91

[Text] Pyongyang October 16 (KCNA)—A national meeting was held at the People's Palace of Culture this afternoon to mark the 65th anniversary of the formation of the Down-With-Imperialism Union (DIU) by the great leader President Kim Il-song.

It was attended by O Chin-u, member of the presidium of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and minister of People's Armed Forces; Yon Hyong-muk, member of the Political Bureau of the C.C., the WPK and premier of the Administration Council; and Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the C.C., the WPK and vice-presidents; and other senior officials of the party and the state.

Members of visiting groups of Chongnyon and overseas Koreans staying in the socialist homeland were also present.

Choe Tae-pok, alternate member of the Political Bureau and secretary of the C.C., the WPK, made a report at the meeting.

He said the great leader Comrade Kim Il-song who took the lead in the Korean revolution in the darkest period of Japanese imperialist rule formed the DIU on October 17, 1926 in order to form a vanguard organisation of the revolution which would wage the anti-Japanese national-liberation struggle with a correct programme and in reliance on the masses so as to hew out a new path of the revolution.

The great leader Comrade Kim Il-song said:

"The Down-With-Imperialism Union which we organized in 1926 was the vanguard to lead the revolutionary cause of chuche to victory. It was the first true communist revolutionary organization in our country."

The reporter continued:

The formation of the DIU was a historical declaration of the new start of the Korean communist movement and the Korean revolution and the first step of the struggle to found a revolutionary party of chuche type a party of new form which is different from the previous parties in Korea.

The DIU defined it as its programme to achieve the liberation and independence of Korea, build socialism and communism in Korea and, furthermore, overthrow all sorts of imperialism and win the victory of communism worldwide, and performed imperishable feats for the revolutionary struggle of the Korean people and the Korean communist movement.

As the revolution has far advanced and the situation is rapidly changing, our party is invariably displaying its features and might as a chuche-type revolutionary party along the road of independence pioneered by the DIU and is confidently leading to victory the struggle to accomplish the revolutionary cause of chuche generation after generation while firmly establishing the ideological system and the leadership system of the leader throughout the party and strictly ensuring the continuity of the ideology and the leadership and the consistency in the line and policy.

The idea of independence against imperialism held aloft by the Down-With-Imperialism Union is powerfully encouraging our people to continuous revolution still now, invariably proving its undying truth in the advancing history, he said, and continued:

The U.S.-led reactionary forces of the world is cunningly scheming to undermine socialism, persistently resorting to the socalled "peaceful transition" strategy and is shamelessly running amuck to stamp out the struggle of the world progressive people for independence.

The desperate efforts of the imperialists challenging the people's cause of independence, cause of socialism are not the manifestation of their mightiness but an expression of the vulnerability of those who are suffering from incurable disease.

The imperialists are making foolish efforts to turn back the current of history, concealing their helpless serious crisis and bluffing. With nothing can, however, they block the people's cause of socialism, cause of independence.

There may be a temporary check and turns and twists in the process of the advancement of history, but it is an immutable law of history that the humanity moves forward along the road of independence, the road of socialism. If one abandons the principle and takes other road away from the orbit of history, yielding to the hardships in advancement, he will face failure and destruction, but if he adheres to the truth and principle and goes along the current of history, he will certainly win victory.

This is a lesson given to mankind by the present times turning to the 21st century in the complicated struggle between the new and the old, between progress and reaction and in the confused situation.

The reporter stressed that our people will in the future, too, overcome hardships and trials with strong revolutionary spirit and indomitable fighting will and accomplish the revolutionary cause of chuche with credit by making continuous innovations and uninterrupted progress, upholding the banner of independence against imperialism held up by the DIU.

Peru's Fujimori, Yang Hyong-sop Discuss Ties

WA1710173291

For reportage on the visit by Yang Hyong-sop, chairman of the DPRK Supreme People's Assembly, to Peru, including reports on his talks with President Alberto Fujimori, please see the Peru section of the 17 October Latin America DAILY REPORT and subsequent issues.

South Korea

Diplomatic Ties Established With Estonia

SK1810024891 Seoul YONHAP in English 0158 GMT 18 Oct 91

[Text] Seoul, Oct. 18 (OANA-YONHAP)—South Korea and Estonia established diplomatic ties on Thursday and Latvia remains the only Baltic nation to set up ties with Seoul, the Foreign Ministry said Friday.

Korean Ambassador-at-Large Han Tak-chae signed an agreement on diplomatic establishment at ambassadorial level in the Estonian capital of Tallinn with Estonian Foreign Minister Lennart Mert [as received], the ministry said.

South Korea and Lithuania set up formal ties when Han, on a 12-day visit of the three Baltic states, signed a similar agreement with Lithuania on Oct. 14.

Korea, which is to establish ties with all three Baltic states during Han's visit, recognized the three nations on Sept. 7.

The three nations were formally admitted into the United Nations along with South and North Korea in mid-September.

With the establishment of diplomatic relations with Estonia, South Korea now has formal ties with 152 countries.

Estonia Allegedly Refused Relations With North

SK1810103591 Seoul YONHAP in English 1013 GMT 18 Oct 91

[Text] Seoul, Oct. 18 (OANA-YONHAP)—Estonia recently turned down North Korean proposal for diplomatic normalization, saying the Pyongyang government is "dictatorial," a government official said Friday.

North Korean Ambassador to the Soviet Union Son Song-pil went to Estonia after establishing ties with Lithuania and Latvia on Sept. 26 and 27, he said.

Estonian officials reportedly told Son his government was still holding onto its dictatorial line and responded negatively to North Korean proposal for diplomatic normalization, the official said.

The new independent Soviet republic opened full ties with South Korea on Thursday. South Korea set up official relations with Lithuania on Monday and is scheduled to do the same with Latvia on Oct. 22.

Deng Promises Kim Il-song Delay on Seoul Ties

SK1810064991 Seoul HANGYORE SINMUN in Korean 17 Oct 91 p 1

[Text] North Korean President Kim Il-song is reported to have held talks with Deng Xiaoping, the supreme ruler of China, for about an hour during his latest visit to

China. Deng is reported to have firmly promised that "China will not establish diplomatic relations with South Korea within one year from now."

President Kim is also reported to have extracted a positive promise from Deng concerning Chinese aid to North Korea.

Confirming these facts on 16 October, a high-ranking government official said: "We have not been able to confirm the exact date of talks between President Kim and Deng. However, they seem to have held talks in Beijing between 4 and 6 October."

The high-ranking official said: "President Kim seems to have been successful in extracting from China enough positive support to term his visit to China a success and Deng seems to have urged President Kim to take the road of reform and opening."

He also said: "An examination of his activities and other factors during his visit to China reveals that President Kim has sought to "secure continued support from China during the transitional period in North Korea, including the succession of power," to attain "economic aid to North Korea," and "deter China from establishing diplomatic relations with South Korea."

NNSC Protests North's Dismantling Efforts

SK1810082391 Seoul SEOUL SINMUN in Korean 17 Oct 91 p 2

[Text] The delegates of Switzerland, Sweden, Czechoslovakia, and Poland, the four members of the Neutral Nations Supervisory Commission [NNSC], held a joint meeting at the end of September and adopted an official letter of protest against North Korea's call for the dismantling of the NNSC. It said that "the NNSC cannot be disbanded by the request of any one side." The letter was then delivered to the North side, according to a Foreign Ministry official on 16 October.

The Foreign Ministry official said that the NNSC conveyed its firm position in the protest letter: "The NNSC provided for by the Armistice Agreement cannot be disbanded even if North Korea calls for disbanding it, a decision of that nature should be made after a discussion by all the states concerned, and no act should hurt its continued existence." The Foreign Ministry official then added that "the NNSC delivered this protest letter to the Chinese and has recently sent a copy of it to our side as well for reference."

Construction Projects in USSR Stall

SK1810060491 Seoul YONHAP in English 0504 GMT 18 Oct 91

[Text] Seoul, Oct. 18 (YONHAP)—Construction projects in the Soviet Union are on hold because of money shortages and political instability, sources at the construction ministry said Friday.

After South Korea established diplomatic relations with the Soviet Union and improved ties with China last year, Korean construction companies actively sought out projects in those nations.

Samsung Construction Co. won a 17 million-U.S.-dollar contract to remodel the sports hotel in Moscow months ago, but it is yet to start work.

Samsung, Daewoo and Samwhan Corp. won a 214 million-dollar construction contract from the Soviet Government [words indistinct] months, but they have made no move to begin the project, the sources said.

Ten other Korean construction companies have conducted feasibility studies on [words indistinct] ranging from a hotel in Khabarovsk, to a saw mill in Sakhalin and bachelor officers' quarters in Moscow, all of which are now stalled.

The shaky political situation since the August coup, the lack of money and the poor conditions for investment are to blame for the sluggishness of construction in the Soviet Union, the sources said.

North Economy Shrinking, Production Falls

SK1810083391 Seoul YONHAP in English 0510 GMT 18 Oct 91

[Text] Seoul, Oct. 18 (YONHAP)—North Korean productivity is so low and military spending so high that the economy is contracting, according to a report released Friday by the Export- Import Bank.

Food shortages worsened last year as North Korea grew 4.81 million tons of grain, 12 percent less than the year before and far short of the 6.4 million tons needed to feed the nation.

The report, compiled primarily from statistics prepared by the National Unification Board, said 70 percent of North Korea's energy is supplied by coal and production was 33 million tons, about one- third of what was needed, in 1991.

The North Korean budget was 17.3 billion U.S. dollars last year, or 75 percent of the gross national product, and 30 percent went to the military sector, the report said. GNP shrank 3.75 percent to 23.1 billion dollars last year and per capita GNP fell 5.25 percent to 1,064 dollars.

North Korea was self-sufficient in mining and exported gold, silver, copper, lead and zinc, which accounted for 8 percent of all its exports, the report said.

Economic alarm intensified after a third consecutive poor harvest last year and the Soviet Union, supplier of about 40 percent of North Korea's petroleum, reduced shipments by half this year, it said.

Moscow also scrapped preferential prices, nearly doubling what North Korea has to pay for soviet crude oil. This halted much of North Korean factory operations, slashing productivity, according to the report.

North Korea recorded economic growth rates of between 1 percent and 3 percent until 1990, when the economy shrank 3.7 percent, the report said.

Prices remained relatively stable, but product shortages and increases in prices of imported raw materials have created an inflation rate of 2 percent to 3 percent annually, it said.

Ministry Issues Outline of North's Legal System

SK1710033391 Seoul THE KOREA TIMES in English 17 Oct 91 p 2

[Text] North Korea's legal order is based on "Marx-Leninism" and "Chuche (self-reliance)" ideology championed by "Great Leader" Kim Il-song. Laws are regarded as an instrument to protect the socialist system from anti-revolutionaries within and without the country and to implement the proletariat dictatorship.

What is Chuche ideology? "It is an attitude of playing host to the revolution and construction in the country," according to various North Korean documents.

This was revealed by "An Outline of North Korea's Legal System" published by the Legislation Ministry yesterday.

A ministry official said that North Korea makes public a few laws, including the constitution, labor law and joint venture law, which it deems necessary for the purposes of propaganda.

Most other laws are not promulgated. Laws are not published in the North. Even when laws are made public, their outlines are carried by the government and party organs.

"As a result, there were many difficulties in obtaining documents regarding North Korean laws," said the official.

He epitomized the characteristics of the North Korean legal order as follows: First, all ways and means for production are owned by the state or public organizations and all economic activities are planned and controlled by the state.

Second, Chuche ideology is equivalent to the constitution. Article 4 of the North Korean constitution reads: The republic takes as its guideline for its activities the Chuche ideology of the North Korean Workers' Party which stems from creative application of Marx-Leninism to our country's realities."

Third, the separation of power among the three branches of government is denied. Instead, the North Korean socialist state is planned and managed by the principle of a "democratic central concentration" under which once a decision is made by the leadership it should be accepted and observed by lower organizations unanimously.

Under these principles, the government as well as the Supreme People's Assembly [SPA], or the parliament, is entitled to legislation. There are no restrictions to the government's rights to legislate.

There are no detailed procedures for the legislation of laws and stipulations. The head of state, the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Council of Ministers and delegates of the SPA are entitled to initiate legislation to the SPA.

Expanded Regional Economic Cooperation Planned

SK1810084491 Seoul YONHAP in English 0543 GMT 18 Oct 91

[Text] Seoul, Oct. 18 (YONHAP)—The government considers the third annual ministerial conference of the 12-nation Asia-Pacific Economic Cooperation (APEC), scheduled for next month in Seoul, a milestone on the path of expansion of economic cooperation in the region.

The government's external economic cooperation committee reaffirmed Friday its continued effort to play a pivotal role in cementing regional economic cooperation in the belief that it will help Korea implement economic and diplomatic strategies for the 21st century.

The committee chairman is Deputy Prime Minister Choe Kak-kyu.

The annual ministerial conference of APEC, established in November 1989, is expected to draw some 700 representatives, including foreign and trade ministers, and journalists from 15 nations to Seoul Nov. 12-14. China, Taiwan and Hong Kong will attend as new members.

High on the agenda will be the role of APEC in successfully concluding the Uruguay Round world trade talks, free trade, adoption of the Seoul declaration and the future course of APEC.

With the admission of "the three Chinas," APEC is expected to emerge as a broad-based regional cooperation body and Korea, as chairnation, plans to make APEC an official organization by adopting the Seoul declaration, which outlines the scope of the organization's activities and membership.

The regional organization groups the Association of Southeast Asian Nations (ASEAN) members—Brunei, Indonesia, Malaysia, the Philippines, Thailand and Singapore—Korea, the United States, Japan, Australia, Canada and New Zealand.

Trade Group Warns on Investing in ASEAN

SK1510083891 Seoul YONHAP in English 0804 GMT 15 Oct 91

[Text] Seoul, Oct. 15 (YONHAP)—The Association of Southeast Asian Nations is gradually losing its attractiveness as a place for foreigners to invest, and South Korean companies are advised to be cautious of the dangers, the Korea Trade Promotion Corp. [KOTRA] said Tuesday.

The low wages and political and social stability that once attracted foreigners were fast vanishing in a haze of economic development and export growth, KOTRA said.

Massive economic expansion in a short time had overtaken the ability of these countries to expand their infrastructure, so roads, ports, the electricity supply and communications were all stretched to the limit, KOTRA said.

Korean companies that had invested, or that were planning to invest, in ASEAN should thoroughly research the economic environment and collect information, KOTRA recommended. They should refrain from competing with each other and pay attention to management of the local workforce.

Indonesia attracted most investment in ASEAN.

In Indonesia, Japanese companies invested 2.23 billion U.S. dollars in Indonesia in 75 cases in 1991: Hong Kong, 993 million dollars in 36: Taiwan, 616 million dollars in 95: South Korea, 821 million dollars in 85: and Singapore, 148 million dollars in 29 cases.

More than 70 percent of the Korean investments were less than 1 million dollars and the total accounted for 7.2 percent of all overseas investment in 1989 and 10.4 percent last year.

Japanese investment in Indonesia rose 75.1 percent last year, though total foreign investment by Japanese companies dropped 15.7 percent, the KOTRA report said.

No official statistics were available concerning foreign investment by Hong Kong companies, KOTRA said, but it estimated 80 percent went to China and the rest to Indonesia.

Taiwanese investment in Southeast Asia accounted for 38.8 percent of its total investment abroad.

Singaporean businesses have put 1 billion dollars in direct investments in the United States since 1988.

No Tae-u Urges Cabinet To Expand Foreign Labor

SK1710140191 Seoul YONHAP in English 1148 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (YONHAP)—President No Tae-u directed his cabinet Thursday to expand employment of foreign workers to the maximum, taking heed not to cause a social stir.

He made the first positive reference to the controversial subject while lunching with 60 heads of small and medium-sized industrial firms at Chongwadae, his official residence.

A Chongwadae official said the government was considering increasing employment of foreign workers through the expansion of skill training. Only 1 percent of the total employees are foreigners and the rate may be raised to between 5-6 percent, the official said.

Skill training for foreigners usually runs for three months but the period may be extended to one year, he added.

Upon hearing the enterprisers' appeal for lack of manpower and fund, No said he would place 20,000 reserve conscripts, who will work at industrial firms instead of military service at barracks, at small and medium-sized firms.

The chief executive also pledged that he would allot fund and manpower preferably to those small firms, drastically curb unnecessary restrictions and encourage technical development to strengthen the competitive power of manufacturing companies.

Government Launches 2d Phase of 'New Life' Drive

SK1710065291 Seoul YONHAP in English 0450 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (YONHAP)—The government decided Thursday to form a police-prosecution election task force and to launch the second phase of President No Tae-u's "new order, new life" drive.

In a meeting presided over by Prime Minister Chong Won-sik, it was decided to set three new aims—eradicating extravagant lifestyles, removing ineffective regulations and reducing traffic accidents—for the second phase of the drive No launched Oct. 13 last year. The meeting was to evaluate the year-old drive.

The task force, together with the central election management committee, will crack down on illegal campaigning. South Koreans go to the polls four times next year for presidential, general, provincial gubernatorial and mayoral elections.

To eradicate conspicuous consumption, the government decided to restrict bank loans to the service industry and increase loans to the manufacturing sector. It will slash the government budget 10 percent, boost productivity 10 percent and urge households to spend 10 percent less.

To remove unnecessary and ineffective regulations, the vice government administration minister will lead a working-level committee in drawing up specific proposals by year-end.

1992 will be designated the starting point of a five-year plan to cut the number of traffic accidents in half by expanding investment in transportation facilities and improving traffic laws.

A 10-year anti-drug campaign is also in store, according to the cabinet. The government will join a U.N. convention against illicit traffic in narcotics.

"The government has been relying on police and hasty emergency measures to keep order in society. We must change the system so that the people maintain order on their own," the prime minister told the cabinet.

Burma

Myo Nyunt Says Public Servants Threaten Country

BK1810110091 Rangoon Burma Television Network in Burmese 1330 GMT 17 Oct 91

[Excerpts] Major General Myo Nyunt, chairman of the Yangon [Rangoon] division law and order restoration council and commander of the Yangon military command, met with divisional level departmental officials and explained public service matters at City Hall's meeting room at 1300 today.

Maj. Gen. Myo Nyunt said Maj. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] had already explained matters relating to public services personnel on 4 October. Myo Nyunt then gave the reason for calling this meeting by saying that the SLORC had issued a directive to reiterate those explanations, in order to make them better understood, at the divisional, township zone, and township levels.

He next said that 4 September and 4 October can be classified as noteworthy days for our country. On 4 September, the minister for home and religious affairs issued the declaration of warning no. 1, warning some political parties and some public services personnel to stop their deceptive activities against the government. Public service personnel were given a questionnaire to answer. Some public service personnel copied the answers identically from those of other public service personnel, who are children of some departmental heads, and, in so doing, they had deceived the government. The declaration of warning was issued because these public service personnel pose a threat to the country.

Continuing, he said 4 October is a day with three exceptional events. The first event was Foreign Minister U Ohn Gyaw's speech delivered at the 46th United Nations General Assembly. [passage omitted]. The second event was the SLORC secretary-1's explanations concerning public services personnel. [passage omitted].

The meeting ended at 1430.

Border Markers Installed in Joint Laos Ceremony

BK1610095991 Rangoon Burma Television Network in Burmese 1330 GMT 15 Oct 91

[Text] A ceremony was held today to mark the erection of the first boundary markers, which is the result of the first phase demarcation survey of the Mekong River border between Burma and Laos. The ceremony was held at Wan Pong village, Tachilek Township, on the Burma side and at (Meuang Mao) village, Bokeo Province, in Laos.

U Maung Maung Lay, Burmese ambassador to Laos, and Mr. Kideng Thammavong, Lao ambassador to Burma, delivered speeches at the ceremony to mark the occasion. The ceremony was also attended by the members of the Burma-Laos Joint Committee and regional authorities of the two countries.

Under the agreement reached between the two countries, experts from the two countries began demarcating the Mekong River in two phases from January 1991, and the field survey for the first phase was completed in May.

The second phase survey will begin this month and is expected to be completed by May 1992.

Plans have been made to jointly erect more border markers along the Mekong River in the 1991-1992 season.

Army Claims Victories Over Communists in Southeast

BK1510150491 Rangoon Burma Television Network in Burmese 1330 GMT 15 Oct 91

[Text] In an effort to safeguard the people's lives and property, Defense Service personnel have been disregarding their own lives and personal well-being and have been joining hands with the people to crush the insurgents who are disrupting regional peace and tranquillity.

Accordingly, Defense Service personnel belonging to regiments and units under the command of the Southeast Military Command and under the close supervision of the No. 3 Tactical Operations Command of the Yangon [Rangoon] Military Command have been joining hands with the peace-loving people to conduct operations in Tavoy and Thayetchaung Townships—areas in the Tenasserim Military Region of the terrorist insurgent Burma Communist Party [BCP].

In carrying out the operations, there have been 21 clashes with the enemy between 1 July and 4 October. Twenty-one enemies were killed, one was taken prisoner, and three others surrendered following the clashes.

Fifty-four hardcore elements of the enemy were also exposed, and action was taken against them.

In addition, the Defense Services seized 24 weapons of various types, 3,398 rounds of assorted ammunition, 26 assorted magazines, 19 shells, three mines, four rounds of [word indistinct] shells, 40 detonators, 55 sets of camouflage uniforms and equipment, 448 pyi [one pyi equals approximately one eighth of a bushel] of rice, 192 pyis of paddy, 20 visses [one viss equals approximately 3.6 pounds] of salt, 51 huts, one calculator, one radio, one (Icon) brand power pack, and seven code books.

The Defense Services, in cooperation with the people, are continuing their efforts to smash the Tenasserim Military Region of the BCP.

Brunei, Malaysia & Singapore

Singapore

Opposition Leader Discusses Party Prospects

BK1610100791 Singapore THE STRAITS TIMES in English 16 Oct 91 p 20

[Text] Singapore Democratic Party [SDP] leader Chiam See Tong announced yesterday that he would give up his law practice to enter politics full-time.

He also revealed that the SDP, riding on the momentum of its general election successes, has recently recruited nine professionals as potential parliamentary candidates.

And hinting at a possible break in the 10-year-old electoral pact between the SDP and the Workers' Party [WP], he said that the coming by-elections could see three-cornered fights, with the two parties clashing to unseat the ruling party's candidates.

He said that the SDP had initiated talks with the WP on strategy for the by-elections, expected within six months of next August.

But the talks had so far "not been very successful."

Mr. Chiam, MP for Potong Pasir, was addressing a lunch meeting of the Foreign Correspondents Association on the prospects for the opposition.

"The ground is now ripe for an alternative party to be established in Singapore," he said.

Replying to a question, he said that he would give up his one-man law practice in a matter of months to become a full-time politician.

This was only fair to his supporters, he said. "It is impossible to run a political machinery part-time."

He said that the opposition's gain of three seats in the Aug 31 elections, including those over a minister and a parliamentary secretary, had encouraged more professionals to join.

He noted that it had taken the SDP 10 years to find the nine tertiary-educated candidates whom it fielded in August.

But within four weeks of the elections, nine more graduates and professionals joined the SDP, indicating that they were willing to stand.

He said they included a lawyer, an educationist and an accountant.

Pressed on whether the nine included any minorities, he said that one was an Indian. SDP was the only party with an all-Chinese slate on Aug 31, because of difficulty in getting qualified minorities.

He denied that the SDP had been captured by the Chinese-educated as some observers had suggested, and stressed that they were an asset to the SDP, forming the bulk of its grassroots support.

On the possible failure to reach an understanding with the WP over the by-elections, he said:

"If we don't succeed, then we have to make an early announcement to Singaporeans so that ... at the next elections, if there is going to be a clash between the SDP and the WP, then I hope the people of Singapore will understand."

He noted that if there was only one seat at stake, there would be "real difficulties."

As an example, he cited Buona Vista, where the PAP [People's Action Party] incumbent Peter Sung had indicated his wish to step down.

Buona Vista was not traditional SDP territory—it was contested by PKMS [Singapore Malay National Organization] this year—but the party had a good candidate next door in Ulu Pandan, he said, referring to Mr. Ashleigh Seow.

In the last by-election, in Anson in 1981, the one-year-old SDP decided that WP leader J.B. Jeyaretnam was the best candidate and did not contest, he said, adding: "Of course the situation in 1991 has changed. We have got very good candidates ourselves."

Mr. Chiam also endorsed the Government's efforts to encourage foreign companies to set up in Singapore and backed its refusal to allow (Indochinese) refugees to seek asylum here.

Replying to another question, he echoed the Government's wariness of the foreign press, saying: "Every self-respecting country would not allow foreign interference in its internal affairs.

"The foreign press should be allowed to report on local events but I think it would be unfair ... if there is a concerted campaign by the foreign press to report on local events for local consumption."

In his prepared speech, Mr Chiam compared the support for the SDP this year to that for the People's Action Party when it was in the opposition in the 1950s.

He said that the SDP would grow in strength to become an alternative government.

"The PAP in the 1990s appears to have alienated itself from the workers who are at the bottom rungs of the social ladder and also the Chinese-educated," he said.

He noted that Senior Minister Lee Kuan Yew had in recent speeches announced steps to remedy the situation, but he predicted that these would have only marginal effects.

He said that the PAP had become elitist and bureaucratic, and that the establishment—including heads of the civil service, statutory boards, trade unions, the army, police, judiciary and media—did not want change.

"They are all so well entrenched, so comfortable, so well taken care of," he said.

On the other hand, the 75 percent of the workforce who earned less than $1,000 gross a month wanted change and would vote for credible opposition candidates.

"If the opposition has its strategy right, performs well in Parliament, takes good care of the town councils and not get into scandals, I do not see why it cannot form the next government in the not-too-distant future," he concluded.

Cambodia

Further on 17 Oct Session of Party Congress

Heng Samrin Reads Platform

BK1710083191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 17 Oct 91

[Opening speech by Heng Samrin, general secretary of the Kampuchean People's Party, followed by his reading of the party political platform, at the 17 October extraordinary party congress held in Phnom Penh—recorded]

[Text] Respected members of the presidium, dear foreign guests, esteemed congress participants:

Today we are opening the extraordinary congress of the national representatives of the Kampuchean People's Party in an atmosphere in which all of our people and the world public in general are feeling optimistic about the achievement of a political solution to the Cambodian problem in the very near future.

This congress is an important political event, a historic turning point, and a new step forward for the party in its political struggle to continue the great cause of the party—which has always linked its ideals with the destiny of the people and the nation since its founding. For example, when our nation was subjected to a catastrophe unprecedented in anybody's memory between 1975 and 1978, our party, in response to the people's persistent call, was the sole party that rose up without hesitation to save the nation from tragedy. Undeniably and unforgettably, this was a great and priceless service rendered by the party.

For nearly 13 years, our party has carried out its heavy and sacred historical responsibility in leading the people to overcome the seemingly insurmountable difficulties left behind by former regimes and to reconstruct the nation when it was simultaneously at war and at peace. We have been successful in all fields in reviving our nation and preventing any attempts to repeat the past catastrophe.

The development of our own forces in the favorable international conditions under the party's clear-sighted guidance has helped other countries to better understand the just cause of our people. The Cambodian nation's policy of independence, peace, neutrality, democracy, and sovereignty has restored its prestige.

At a time when we are controlling almost all of the country's territory, our party has adopted a flexible stand with goodwill for peace and national reconciliation and, together with the international community, has done its best to promote a political settlement for the Cambodian problem, thus greatly contributing to the establishment and functioning of the Supreme National Council [SNC], chaired by Samdech Norodom Sihanouk, which has maintained its neutral stance and has acted as a force for national reconciliation.

Generally speaking, these great national achievements reflect a new development in the Cambodian nation's history. The congress would like to express its gratitude to the cadres, party members, combatants, and the entire people for their great sacrifices, and would like to express admiration to all Cambodians overseas who have contributed to the motherland's cause.

The congress pays homage to all those cadres, party members, combatants, and people who have sacrificed their lives for the motherland's peace and independence and the people's happiness.

With friendly feelings, the congress expresses its deep gratitude to the parties, governments, and peoples of Vietnam, Laos, the Soviet Union, and all other countries who have wholeheartedly assisted and supported the Cambodian people.

We deeply thank the foreign countries, international organizations, and progressive people throughout the world who have demonstrated their sympathy with the Cambodian people's just cause and who have actively contributed to the search for a political solution to the Cambodian problem.

Faithful to the ideal of national reconciliation and to all the provisions agreed upon in the negotiations and responding to our Cambodian people's aspiration for the lasting peace that is necessary for national reconstruction, our party has decided to amend the political guidelines as mentioned in the draft of the political program and the amended party statute. Some parts of the party statute need to be altered to conform with what we have already come to practice, and some other parts need to be radically reformed in accordance with the requirements of the situation and the new tasks.

The congress would like to welcome and congratulate the party members in all localities who have contributed their ideas to the Central Committee's two draft documents, thereby creating favorable conditions for the solemn opening of this extraordinary national congress.

The congress would also like to warmly welcome the representatives of all 24 local party committees who are present here.

The congress warmly praises all local party congresses and seminars of intellectuals, Buddhist clergymen, cadres, businessmen, and other people for their support for this extraordinary congress' documents and for their determination to implement these documents.

Our congress will do its best to gather all constructive opinions in order to amend and complete the congress' two draft documents in accordance with the aspiration of the people of from all levels of society.

The extraordinary congress of the national representatives of our party thereby has the important and historical task of reviewing and adopting the following documents: the political platform of the Kampuchean People's Party, the amended party statute, and the decision on the structure of the party Central Committee. These constitute a vital issue for the party's link to the destiny of the nation and people.

In an atmosphere full of the high responsibility demonstrated by the entire party for the success of this important political event in accordance with the wishes of the cadres, combatants, and the entire people, on behalf of the presidium, I would like to declare the congress open. Thank you. [applause]

Political Platform of the Kampuchean People's Party [KPP]:

The evolution of Cambodia's national history has been complex and time-honored. The past decade offered us particulary valuable experience, as the country had to adopt political guidelines that were in harmony with the supreme interests of the people and nation in the cause of independence, peace, friendship, solidarity, freedom, and social progress.

Since its foundation, the KPP—formerly the Kampuchean People's Revolutionary Party—has stood on the side of the people and has shared the people's well-being as well as woes to serve the supreme interests of the people, the country, and the nation. When the nation plunged into an unprecedented disaster between 1975 and 1978, the KPP, with the support of people from all circles, was the only party that rose up, struggled, and unhesitatingly made sacrifices to save the nation from the danger of extinction.

Since the beginning of 1979, the KPP has extensively rallied nationalist forces with the assistance of friendly countries throughout the world to defend the nation's rebirth, (?heal) all the war wounds and consequences, and prevent attempts to bring back the past disaster.

Social and national life and that of the people have gradually stabilized. Although the country is in a state of war and peace, people of all strata have recovered the rights and freedoms that were lost in the dark past: the right to live, work, and earn a living; the right to own land, a home, and the means of production; the right to believe in a religion, a set of beliefs, to follow traditions, customs, and the arts; and the right to take part in political activities, among others.

The prestige of the Cambodian nation has been restored along the path of independence, peace, neutrality, and democracy with full territorial integrity. History has recorded the great sacrifices of the Cambodian people in and outside the country and the contribution of friendly countries, international organizations, progressive and peace- and justice-loving forces of the world, as well as their assistance and support to the Cambodian people's just struggle.

Under the KPP's leadership to save, revive, and reconcile the nation and to be faithful to its ideals—which are in accordance with the people's persistent aspiration of a durable peace in Cambodia—the KPP has implemented a policy of leniency. Through the national reconciliation policy, it has helped reconcile the country's internal conflict, end the war, and bring genuine peace and security for rebuilding and developing our beloved Angkor motherland.

To achieve the above objectives in accordance with the current world trend, the KPP has set out its political platform as follows:

Domestic policy:

General policy:

The lofty ideal of the KPP is to rally the entire nation's united forces in and outside the country to defend social and national gains and build Cambodia in accordance with the party's motto, namely independence, peace, freedom, democracy, neutrality, and social progress.

To achieve the above ideal and motto, the party will adhere to democracy, heighten nationalist conscience, and form extensive relations with all countries throughout the world in order to build the country in genuine peace. The party will work to eliminate poverty and move towards prosperity, and will organize the state democratically, with legislative, executive, and judicial powers. The president and the assembly will be elected through universal, direct, and secret ballot. The government will be responsible to the assembly.

The basic principle of the KPP is: The state belongs to the people, depends on the people, and is for the people. The political structure is that of a liberal democracy and is multi-party. Political competition is through (?peaceful) means for [words indistinct] national reconciliation in combination with all nationalist forces regardless of the past, the social status, political tendencies, religion, and nationality of those living in the country, in Cambodian refugee camps, or those living abroad. The KPP will eliminate [words indistinct] (?hostility) among clans and groups and vengeful acts against their own countrymen by creating conditions for society and the nation to experience (?solidarity and fraternity) and justice.

It will respect citizens' rights and the freedoms stipulated in the United Nation's universal declaration on human rights. It will categorically oppose the recurrence of the danger of the past. All Cambodian citizens will have all rights and freedom to live their lives and earn a living with the (?freedom) of religion, association, education, expression, writing, publishing, establishing newspapers, travel, setting up a home, playing politics, defending oneself in court, and independently creating trade unions and other social organizations.

The citizens' honor, dignity, and life are to be clearly defended. The death penalty will be abolished. Buddhism will be the state religion and the Traibeidak [Buddhist scripture] will be the basis of its laws. Any religious activities will be permitted in the country. The nation's traditions, customs, and cultural heritage will be preserved and glorified (?along with) the traditions of all ethnic peoples living in the Cambodian society and nation. Men and women will have equal rights. All nationalities living in Cambodian society and the nation will have equal rights.

For compatriot Cambodians living abroad who have been naturalized, but who later return to contribute to building the motherland, the KPP will recognize their dual nationalities, and they will have the same equal rights as other Cambodian citizens. All rights and freedom will be guaranteed by law. Social justice will be ensured. All citizens are equal before the (?law) and are equal in social, health, educational benefits, and in other sectors. The KPP will oppose social injustice and corruption as stipulated by law.

In defending the country and national security, Cambodia will have only one army, and it will be faithful to the country, nation, and people. The army will have the duty of defending the country's territorial integrity and people, while the police will have the duty of maintaining security and social order and will be a loyal force of the country, nation, and people.

Administration:

The administrative structure will be organized in accordance with the appropriate administrative guidelines characterized by democracy, cleanliness, and efficiency. State personnel at all levels will have to serve the people with loyalty, be competent, and will be appropriately remunerated. Attention will be given to increasing the activities of state personnel through all forms, such as refresher courses, study tours, etc.

Economic and social policy and economic restoration and development are the primary tasks for stabilizing and improving social life. To achieve this goal, the KPP will continue and expand the following national economic policy.

Implement a free market economy; recognize and categorically defend the current legitimate ownership of each family, individuals, or private Cambodian and foreign companies of land, homes, property, and production means. Cambodian citizens are free to earn their living and are equal before the law. The national economy will be developed on the basis of the expansion of agriculture, industry, handicrafts, and the service industry. Local production will be encouraged and jobs useful to (?society) will be created; [words indistinct] will be defended; all activities dangerous to (?the environment) and natural resources will be prevented. Local and foreign investments will be liberalized. The state guarantees that there will no nationalization.

1. Agriculture will be expanded by pooling together food and raw materials for the manufacturing industry and export. Rural areas will be developed by creating favorable conditions for peasants to work in order to reduce the gap between rural and urban life. Scientific and modern technological achievements will be introduced gradually. Production and agricultural means will be provided, and a policy of subsidized agricultural products [nayobay phkot phkong thlai kasephal] will be implemented. Peasants have the right and freedom to manage their own products and to freely circulate agricultural products. Networks to provide agricultural funds will be set up to serve agricultural production needs. The expansion of new economic zones in fertile areas will be encouraged and aided, as will the areas with unexploited resources, by providing communications, health, social, and cultural conditions to enable people to live in these areas.

2. Industry, Communications, and Tourism.
Industries and handicrafts that use local raw material, the national potential, and local and foreign sources of capital will be encouraged to the utmost to expand industry serving local and export needs. We will promote energy and manufacturing industries, the network [word indistinct] industry, mineral prospectind and exploitation. We will restore and expand communications and transport infrastructure, ports, airports, and posts and telecommunications, to serve daily life, production, the service industry, and tourism. We will search and identify tourist zones and create favorable conditions for the building of hotels and the service industry. We will liberalize investment and provide professional training to better exploit tourism.

3. Trade, finance, and banking.
We will liberalize trade activities, the circulation of goods throughout the nation, and will link local markets to those overseas. A tax policy appropriate to the current situation will be implemented for economic and social development. We will liberalize the financial markets, banks, and insurance agencies.

4. Education and culture.
Educational tasks should enable every citizen to receive knowledge equally. We will create educational opportunities for children of school-going age and other citizens and will gradually ensure that they finish at least primary education and eradicate the danger of illiteracy. We will pay attention and will assist those who have difficulty studying. Opening private educational establishments

will be permitted. Those who have a secondary education certificate will be given broad opportunities to study in the preparatory class of higher education establishments. We will gradually expand vocational schools and create conditions for students and pupils to study abroad privately and through the state.

Cambodian citizens abroad as well as foreigners will be allowed to teach and study in Cambodia. The quality of education in every field will be improved by promoting (?scientific) research, education, reforms, and improvement of curriculum and textbooks, and by providing scientific equipment to educational establishments and raising teachers' standards. We will link training to production work to serve and develop the country and nation. We will restore and organize the Buddhist Institute, conduct research and publish all religious texts, and expand Buddhist studies from the primary level to the higher education levels.

We will encourage and promote activities of technical and scientific reasearchers in literature, and of writers and artists. Attention will be paid to preserving, safeguarding, and expanding national culture, tradition, and custom. We will defend, restore, and organize resorts, temples, monasteries, pilgrimage spots, and heritage, which are the nation's soul and cultural property. We will expand the basis of culture, arts, sports, press, television and radio networks, and newspapers to remote areas. Firm measures will be taken to prevent offences that endanger the national culture.

We will appeal to international organizations and various countries to help restore ancient temples and our national heritage, which are considered mankind's property.

5. Public health and social affairs.
We will improve preventive medicine and patient treatment in general by combining modern and traditional methods. We will provide equipment for hospitals and laboratories and will train medical staff at all levels. Health centers will be set up in remote areas. We will pay attention to people's health. The people will be educated in hygiene to prevent epidemic and contagious diseases, and mother and child care will be expanded. We will propose the opening of private clinics and hospitals, [words indistinct], pharmacies, dispensaries, laboratories.

We will provide aid and create conditions for former combatants, orphans, disabled and aged persons, war victims, retirees, and those without support. Repatriated refugees will be looked after, and we will provide living conditions for overseas compatriots who have returned home. We will solve job problems for capable citizens and will defend and build society. Labor laws will be promulgated to ensure workers' rights and interests.

We will consolidate orphanages, and the state will assume the charge of raising, educating, and training orphans. Development assistance in the form of material and moral aid will be provided to ethnic minorities.

Foreign policy:

1. The principles of peaceful coexistence will be implemented, and the relations of friendship and cooperation with all countries will be expanded regardless of their political and social regimes (?which are) sincere to the Cambodian country and nation. This effort will be based on equality, respect for one another's independence, sovereignty, and territorial integrity, interests, noninterference in each other's internal affairs, mutual nonaggression, and support the transformation of Southeast Asia into a zone of peace, stability, freedom, neutrality, and cooperation.

2. We will not be part of any military pact or treaty that runs counter to Cambodia's permanent neutrality, and we will not permit foreign troops or their military bases on Cambodian soil or the use of Cambodian territory to intervene in other countries' affairs. Neither should other countries' territory should not be used against Cambodia.

3. We will preserve and defend the country's independence, sovereignty, territorial integrity, and permanent neutrality with every possible means in accordance with the UN Charter and various international laws.

4. All conflicts will be solved peacefully, and the use of force will be avoided in international relations. We will oppose all acts of aggression, racism, and violation of human rights.

5. We will support the reduction of all types of weapons and nuclear non-proliferation and will oppose the arms race.

6. We will expand relations and economic, cultural, scientific, and technical cooperation with the international community based on the principles of equality, justice, and mutual benefits and will work toward getting Cambodia to favorably benefit from all developed countries. We will seek aid from various countries and international organizations for Cambodia's construction and development.

7. We will widely expand relations with political parties, movements, and international social organizations in the cause of peace, justice, democracy, and social progress.

This political platform is the KPP's ideal and responds to the ideals and aspirations of the Cambodian people in conformity with the current world trend.

The party will pool great national union forces in accordance with the above ideals to safeguard social and national gains, expand and search for the nation's survival, and prevent attempts to forment internal hostile activities. This is the only way for the Cambodian people to have genuine peace, security, freedom, and democracy to restore and develop our beloved motherland into a prosperous and glorious country.

The KPP solemnly pledges to compatriots to stand on the side of the people, to share the people's well-being and woes, and abide by and implement this political platform in order to achieve the sacred aspiration of everyone, in particular to build an independent, peaceful, free, democratic, and neutral Cambodia and ensure social progress.

We appeal to the party members, combatants, clergy, workers, employees, people in all walks of life in the country, personalities, intellectuals, and compatriots abroad to strive to support and make the KPP's political platform a reality in Cambodia.

The KPP appeals to all political parties to put the interests of the nation and motherland first and (?make appropriate contribution) on the points agreed upon in a spirit of national reconciliation for the cause of peace, restoration, and development of the country and nation in order to quickly progress like other countries the world over. For these causes and ideals, the KPP promises, after the election, to sincerely unite with all political parties and nationalist forces of all tendencies to administer society and the nation in the future. The KPP also appeals to political parties of various countries, governments, international organizations, social organizations, and peace- and justice-loving people throughout the world to provide assistance and support to the just cause of the KPP and the Cambodian people.

This political platform of the party has been widely discussed within the entire party and will be officially adopted at the extraordinary party congress of representatives nationwide on 18 October 1991.

Hun Sen Urges Support for Sihanouk

BK1810062291 Phnom Penh SPK in French 0500 GMT 18 Oct 91

[All quotation marks as received]

[Text] Phnom Penh 18 Oct (SPK)—Cambodian Prime Minister Hun Sen on Wednesday [16 October; day as received] asked the Cambodian People's Party to support Prince Sihanouk's candidacy during Cambodia's first presidential elections, which will take place at the beginning of 1993.

"I think it is a very reasonable formula to steer Cambodia away from new political crises," said Hun Sen in his address to the extraordinary national congress of the party.

He said: The time has come for our party to proceed with political reform. Over the past few years, some countries and some persons have criticized us for not supporting the multi-party system. This criticism does not conform with reality; as a matter of fact, there have already been many political parties that have been fighting one another, not only politically, but in all fields, including the military field. For a long time our party has understood that one cannot use war to end war but must use peace to restore peace. Thus, our party initiated negotiations to find a political solution. The political settlement must be decided through elections, and our party is prepared to accept a multi-party system.

But before reaching that stage, our party must defend itself against all divisive activities that would weaken the forces fighting against the return of the Pol Pot regime. Prior to the cease-fire agreements and the comprehensive political solution to the Cambodian problem, the major task of the party consisted of leading all forces of the country against the military activities of the polpotists and their allies. That was the reason why the party advocated unity: so that we would not have to face too many other problems at the same time. Our party is proud to note that, despite the countless difficulties stemming from the military attacks launched by the polpotists and their allies, it did not feel the need to place the country under a state of emergency; nor did it need to call for general mobilization or martial law, as some other countries had done.

The prospects for the political situation in our country following the conflicts of more than 21 years are disturbing. The establishment of many parties that have been fighting each other, not only in the political field but also on the battlefield, was the source of these conflicts. That bitter past has given us a feeling of deep distrust.

The Cambodian peace agreement provides all parties with an opportunity to leave the battlefields and to confront each other politically according to the rules of democracy. This will make life easier. What is worrisome, however, is the compromise among the political parties in the National Assembly or within the government in the case that no single political party has the necessary majority to pass the new constitution or form a government.

Animated by our party's will to see stability restored in the country and to cooperate with other political parties in the interests of the country and the people, I think that it is necessary to have "a Cambodian personality" capable of playing the role of "moderator" among the various political parties in society.

Given the fact that Prince Norodom Sihanouk does not side with any political party or faction, that he is the chairman of the Supreme National Council, and that he embodies the required potential to reconcile various parties, I propose that our party support Prince Sihanouk's candidacy in future presidential elections. I am convinced that that this the reasonable formula to prevent a new political crisis.

Chairman Hun Sen also dealt with the socioeconomic, cultural, and educational problems of the country which, during the past 13 years, has experienced a remarkable development, especially since the adoption of a new policy by the party.

KPP Extraordinary Congress Continues 18 Oct

Session Reviewed

BK1810063091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 18 Oct 91

["Report on the Extraordinary National Congress of the Kampuchean People's Party"]

[Text] On the morning of 18 October, the Extraordinary National Congress of the Kampuchean People's Party [KPP] actively continued its work according to its agenda. This morning, the congress delegates attentively listened to addresses given by Mr. Hok Langdi, representative of Phnom Penh City's party chapter; Mr. Yut Phuthang, representative of Prey Veng Province's party chapter; His Excellency Nguon Nhel, representative of the delegation from the Agriculture Ministry's party chapter; Mr. Daok Narin, representative of Kompong Chhnang Province's party chapter; Mr. Thoek Kroeunvuttha, representative of Kratie Province's party chapter; Mrs. Chhuk Chhim, representative of the delegation from the party chapter of the Cambodian Women's Association; Mr. Vong Sot, representative of Kandal Province's party chapter; Mr. Sar Kapon, representative of the delegation from the Education Ministry's party chapter; Mr. (Suk Kim-eng), representative of Preah Vihear Province's party chapter; Mr. Vong Kan, representative of Banteay Meanchey Province's party chapter; Mr. Sek Sitha, representative of the Foreign Ministry's party chapter; Mr. Ros Sreng, representative of Pursat Province's party chapter; Mr. Hem Khan, representative of Kompong Speu Province's party chapter; Mrs. Men Sam-an, representative of the delegation from the Kampuchean Federation of Trade Unions' party chapter; Mr. Rat Sarin, representative of Mondolkiri Province's party chapter; and Mr. Cha Rieng, representative of the delegation from the party chapter of the Cambodian People's National Bank.

All the speakers enthusiastically welcomed and applauded the congress and unanimously agreed to the reforms of the KPP's political platform and statute, which are in strict conformity with the nation's concrete evolution in this new phase of historic character.

The speakers also endorsed His Excellency Hun Sen's address at the congress and, moreover, pledged to pay attention to disseminating the KPP's political platform to the people in their localities. They indicated that they are determined to work jointly to make the implementation of all the resolutions adopted at this extraordinary KPP congress a success.

The congress adjourned at 1100 and will resume at 1400 today.

Communist Party Ready for Reform

BK1810072491 Hong Kong AFP in English 0712 GMT 18 Oct 91

[By Sheri Prasso]

[Text] Phnom Penh, Oct 18 (AFP)—Cambodia's communist party was set Friday to formalize its new commitment to democratic and press freedoms and a free-market economy.

Some 320 delegates at the final day of an extraordinary congress of the People's Revolutionary Party of Kampuchea (PRPK) were to accept sweeping reforms drawn up by the party's Central Committee.

While the party will keep a communist structure of a politburo and cells reporting to a central committee, it needs a new look to attract mass appeal in upcoming elections.

"Our party has decided to amend its political guidelines...of which some parts should be radically reformed in accordance with the new situation and the new task" in Cambodia, party General Secretary Heng Samrin said in a brief opening address Thursday.

The PRPK will become the Cambodian People's Party and replace the hammer and sickle on its emblem with sheaves of rice and Angkor Wat, the temple complex that symbolizes Khmer culture.

A new platform presented at the opening session eliminates all references to communism and socialism and pledges to put democracy, a free-market economy and freedom of the press and of assembly into action.

"The Cambodians have renounced all communist ideology," said a diplomat from the former socialist bloc. "The new Cambodian program has nothing socialist, nothing communist about it."

Cambodia thus becomes the first country in Indochina to allow opposition parties to form.

The elections—mandated by a United Nations peace plan to be signed by Cambodia's four factions in Paris next week—are scheduled for early 1993.

On Thursday, Prime Minister Hun Sen proclaimed in his opening address that he supports his former opponent Prince Norodom Sihanouk as president of Cambodia. The prime minister emphatically proposed that the party dump its uncharismatic leader Heng Samrin and instead back Prince Sihanouk in the election.

"I think it is necessary to have a Cambodian personality with enough influence" to sway Cambodia's electorate to vote for the party, Hun Sen said.

"May I propose that our party support Prince Norodom Sihanouk as the president of Cambodia in the future Cambodian election," he said.

A party source said Hun Sen and Heng Samrin were fighting behind the scenes over who should lead the party into elections. Hun Sen demanded Heng Samrin's resignation and the latter refused, the source said.

Only 30,000 out of an estimated population of eight million Cambodians belong to the party.

The new platform calls for friendly relations with all countries regardless of their political systems. It bars any military alliances or pacts going against the neutrality of Cambodia.

The new platform also says all Cambodians who acquired foreign passports after fleeing overseas during the last two decades will have the right to vote and to be elected if they return to Cambodia.

The party congress was announced to the public with banners of blue and white—rather than communism's red and white—hung over the streets of Phnom Penh.

"Long life to the country and national unification," they exclaimed. "Congratulations to the party congress."

The opening addresses were broadcast on national radio.

While a handful of foreign diplomats attended the opening session, notably absent were the delegations of foreign communist parties that are a usual presence at party congresses.

SNC Group Adopts UN Repatriation Plan

BK1810022791 Bangkok THE NATION in English 18 Oct 91 p A4

[Text] A working group of Cambodia's Supreme National Council [SNC] yesterday adopted the final draft of the UN repatriation plan that would preclude any organized movement of the displaced population back to that country outside the arrangement of the world body, a senior UN official said.

Darioush Bayandor, UN High Commissioner for Refugees (UNHCR) coordinator for Cambodian repatriation, told THE NATION yesterday that the working group, comprising representatives from the four Cambodian factions, agreed to the draft memorandum of understanding on the UNHCR repatriation plan after a three-day meeting.

The draft agreement outlines ways the UNHCR, the SNC and the Thai Government could cooperate in sending home more than 350,000 displaced people from Thailand.

"The draft memorandum of understanding agreed upon by the SNC working group says all parties shall prevent any organized movement of any part of the displaced population to Cambodia without the authorization and monitoring of the UN and the SNC," Bayandor said.

Representatives of the Khmer Rouge guerrilla faction, which is said to be preparing for a possible forcible repatriation of some 43,000 Cambodians from Site 8, were part of the SNC working group.

"The draft memorandum of understanding is broad enough to address all problems (regarding repatriation) including what happened at Site 8," the coordinator said.

He said the Thai Government, which was to be a signatory of the memorandum of understanding, was considering the draft agreement which he said he hoped could be signed at the same time as the Paris peace settlement.

"We will try to do every thing we can to have the memorandum of understanding ready for the signing of the Paris peace accord," Bayandor said.

The alleged plan by the Khmer Rouge to forcibly repatriate some or all of the 43,000 displaced Cambodians from Site 8 was uncovered last week and has since caused anxiety among camp residents, who fear the dangers associated with a premature return, including land mines planted throughout Cambodia's countryside.

The Khmer Rouge's move is apparently aimed at maintaining control over displaced Cambodians for political gains in anticipation of a future general election to be organized by the UN.

In the latest development at Site 8, international relief workers based in Aranyaprathet said yesterday that Khmer Rouge administrators were forced to postpone taking 200 displaced Cambodians to examine proposed settlement sites inside Cambodia on Tuesday after most of them refused to cooperate.

"The situation at Site 8 has become less tense because of the postponement," a relief worker said. "But people are still afraid because they believe the Khmer Rouge administrators have not dropped their repatriation plan."

The relief workers, who spoke on condition of anonymity, said at least five officials of the UN Border Relief Operation (UNBRO) and International Committee of the Red Cross (ICRC) had begun a night-time vigil at Site 8 to ensure that no residents were moved out of the camp against their will.

They said UNBRO and ICRC officials had been assured by the Thai paramilitary unit responsible for security at Site 8 that they would not allow use of force against residents.

UNBRO and ICRC officials continued to press the new Khmer Rouge administrators for guarantees that no Cambodians would be coerced into going back to Cambodia, where they were reportedly detained, the sources said.

"But they were told by the Khmer Rouge adminsitrators that they did not have the authority to make any commitment because they were only following instructions from their superiors," one of the sources said.

The former administrators, who supported the UN repatriation plan, were sacked by the present military-dominated Khmer Rouge administration late last month.

Khmer Rouge Says Refugees Can Remain at Site 8

BK1810011491 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Oct 91

["Clarification" about moving people from Site 8 Camp issued on 16 October; place not given—read by announcer]

[Text] I. There are reports that Democratic Kampuchea has forced the Cambodian people in Ta Ngok Camp, called Site 8 Camp, back into Cambodia.

II. On this issue, we, the command responsible for the south Sisophon battlefield, wish to make the following clarifications to the national and international public:

1. This clarification does not constitute any reaction at all. It simply seeks to deal with reality in order to provide an effective and factual solution;

2. The Cambodian people's movement from Ta Ngok Camp back to Cambodian territory was made according to their own rights and by their own free will;

3. Those Cambodian people wanted to return to Cambodia immediately, because the war is ending and peace will certainly come soon; as such, they need to hurry to find land to build houses and to plant crops so they can earn a living by themselves. As farmers, they really need land—particularly fertile land for crop cultivation—to sustain their families;

4. The Cambodian people were living in the UNBRO [UN Border Relief Organization] Camp because the Vietnamese war of aggression was spreading to their villages and their homes. They were forced to flee and sought refuge in the generous Kingdom of Thailand, and they have been living in the UNBRO-organized camps. Now the Vietnamese war of aggression is ending, and they have learned that UNBRO will set up camps in Cambodia and will move them to those UNBRO camps after peace has been established. They heard that peace will return and that they had land in their own country, so they thought that, if they continued to be fed in the camp, they should be terribly ashamed.

III. In our opinion, if UNBRO needs to keep the Cambodian people in Ta Ngok Camp until its planned repatriation, it is up to UNBRO, as long as the people, who are farmers and need land to farm and earn a living, accept this of their own free will.

[Signed] The Command of the South Sisophon Battlefield

[Dated] 16 October 1991

KPNLF Official Comments on Election Procedure

BK1710140191 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 17 Oct 91

["Recent" interview with Ieng Muli, secretary general of the KPNLF Executive Committee and member of the SNC of Cambodia by station correspondent; place not given—recorded]

[Text] [Correspondent] I, representative of Voice of the Khmer [VOK] radio, would like to salute Ieng Muli, secretary-general of the Executive Committee of the Khmer People's National Liberation Front [KPNLF] and member of the Supreme National Council [SNC]. I have learned that the meeting to finalize the settlement of the Cambodia problem will be held in Paris and the documents will be signed on 23 October 1991. Can you say what will happen in Cambodia after the signing?

[Ieng Muli] Thank you, Mr. Pol Ham of the VOK. First, your question concerning the situation in our country. According to my analysis, there should not be any major obstacles. There should not be many changes, and most of these changes, if any, could only come from Vietnam, Laos, and the Phnom Penh regime. In any case, these changes should not seriously affect the plan jointly examined and discussed in New York.

I hope the signing can take place on 23 October 1991. We learned that Laos and Vietnam have called for a few amendments, but we do not know yet what these amendments look like. Anyway, we appeal to those countries not to raise any obstacles to the talks and the signing of the agreement which will bring peace to the Khmer people and nation as that is an opportunity for Vietnam to receive aid from the West. This is my first appeal. Secondly, in my opinion, the signing is a good thing as it is part of the implementation of the agreement. It is difficult, however, to conjure up mutual understanding and cooperation from all factions so that this agreement can be implemented.

After the signing, the SNC will invite the United Nations to bring in its forces in order to verify the Vietnamese presence in Cambodia and to control the cease-fire there to create a neutral climate conducive to popular elections. In this sense, our KPNLF is duty-bound to implement the peace agreement in close cooperation with the United Nations in a manner that ensures sufficient security and creates a neutral atmosphere that will give our people full rights and freedoms as the masters of the country. This atmosphere will facilitate the election of a constituent assembly that will adopt a new constitution and which will subsequently form a legitimate and lawful government with the mission of rebuilding the nation. Such is the new government's noble task.

As for the election, as our people and Buddhist clergymen are well aware, our four Cambodian factions recently decided in New York to accept the proposals of the United Nations, the proposals of the UN Secretary-General's representative consisting of a formula called proportional representation electoral system in the provinces. This means that our people in each province will choose the party which will receive the dividend of the votes according to the number of ballots cast for it by voters. For example, if there are 300,000 voters in Battambang Province out of the 3 million Cambodians, this province will have 12 seats out of the 120 seats. If our front wins 40 percent of the votes in the province, it will win 40 percent of these 12 seats, meaning 4 or 5 seats or 4.8 seats depending on the formula to be devised in accordance with the electoral law that the SNC and the United Nations will work out together.

Previously, in the first UN proposal, we did not discuss the provinces, but we considered the country as a whole without differentiating the different consituencies. We viewed Cambodia as a single constituency where those who have the right to vote would be allowed to vote anywhere they liked. After a voter cast his ballot, however, he would have his hand stamped. Usually, the imprint would be indelible for at least a week or 10 days, as in Namibia.

Now, because Phnom Penh has disagreed, the United Nations says that voters can vote anywhere they want in the provinces, which are counted as constituencies, and the seats will be proportionately given to each party according to the votes it receives. In brief, this is what will take place as far as elections are concerned.

[Correspondent] Thank you, Mr. Secretary-General. You have spoken quite a bit about the electoral procedure in Cambodia, but I am sure that our Cambodian brothers would like to know more about this topic. Do you have anything else to tell them concerning the electoral method?

[Ieng Muli] So far, we have agreed with each other in principle on the electoral method. As I have already told you, we are going to discuss it in detail when we work out the electoral law, and I do not have anything special to add at this point for this reason.

[Correspondent] Thank you, Mr. Secretary-General. I am confident that the KPNLF will participate in the upcoming election with His Excellency Son Sann as president and yourself as secretary-general. Do you entertain any hope at this moment that the KPNLF will win the election?

[Ieng Muli] As I have already said on this issue, we will do our best to create a neutral political climate so that our citizens will enjoy full freedom to choose their government and state leaders. In this case, no faction should be allowed to intimidate, bully, or threaten the people to force them to vote for it. As a matter of fact, our people should be given the full right and freedom to choose. If the people really enjoy full rights and freedom, I believe that our people will surely vote for our KPNLF to run the country. Why? In my opinion, first, I believe that other parties all have a past history concerning our country's situation; a past that has caused our people much suffering or that has brought them war and insecurity. As for our front, it has been striving all along for independence, and especially for peace. Since the beginning, we have made great efforts to bring peace for our people. After finding peace, we also have programs to rebuild the country, to restore the national economy, and to improve the living conditions of our people, who are now so impoverished and miserable.

In this case, we have a respectible leader in the person of H.E. Son Sann, who is an economic technocrat. I believe that the economic problem is Cambodia's prevailing concrete problem of Cambodia. To solve an economic problem, we need an economic expert—and we have this economic expert in the person of our leader. In addition to having a correct leader-cum-economic technocrat who can bring a better life to our people, we have a specific political program to serve us within the framework of a liberal democratic system.

As all of you know, the term democracy has been used profusely in recent times, but one cannot simply become a true democrat in a day or two. We have espoused democracy for a long time; H.E. Son Sann has adhered to it since 1945.

What is democracy? It is rule by the people. What is democracy? It is respect for law. It is the freedom for everyone to compete through legal means, through elections and not through the use of arms, through murder, or through the use of force. If the people like a party and choose it, we accept it and respect the people's will. Democracy also means respecting the opinion of the minority, as it allows for criticism and protest made within the framework of the law born out of the parliament elected by the people. That is democracy.

As for liberalism, it is well known that our front is liberal in that it does not consider the people to be instruments of the party or inanimate objects. It is liberal in the sense that it considers the people to be composed of thinking individuals that have their own ideas and lifestyle. To be a liberal, one must be responsible. We believe that the individual is responsible, and this is in line with the Lord Buddha's teaching on the consequences of actions. All are free to travel, to express their opinions, to set up associations, and to believe. We also believe in economic liberalism. How? The people have a free market system. They have markets and enterprises belonging to private owners, not the state. Liberalism has its limits, however, as otherwise it becomes anarchy. Our liberalism stays within national boundaries and national criteria. It is a system of free markets beneficial to society, meaning that the private individual enjoys freedom in business dealings, but has the duty of paying taxes to the nation. This takes the form of taxes, not contributions. We must stop making contributions as of today. Parliament will make laws on taxes so that everything is carried out legally. We use the the earnings from taxes to build roads, hospitals, and schools to benefit the citizens.

The future national reconstruction efforts, as I have been saying, should be strongly dealt with from the bottom up. We should start rebuilding from the grassroots to the villages to the communes to the districts to the provinces to the cities—not vice versa. We must see to it that citizens from rural areas do not emigrate to the cities in response to the low standard of living in the countryside, thus creating the problem of unemployment and the subsequent social woes. [indistinct passage]

[Correspondent] Thank you, Mr. Secretary-General. Before concluding this interview, do you have anything else to say to our listeners?

[Ieng Muli] In conclusion, I only wish to draw the attention of our compatriots and the Buddhist clergymen to the fact that our Cambodia problem is going to be solved. We need to have a legal government chosen by our people to bring our country back to normal. In this respect, the election is very important. Each vote is like our capital, and we will prosper if we correctly invest this capital. On the contrary, if we invest it unwisely, we will go bankrupt and become even poorer. Therefore, you must think wisely in the upcoming election.

Some parties will boast about what they call the service they have given you, that they have helped or saved you. You should examine your living conditions over the past years. See how your lives have been throughout that period. You must also watch out for those who have money and try to buy votes. If you are taken in by the lure of a free meal or a few bank notes, you might run the risk of losing your head and find yourselves in danger. Use your head. As for us on the KPNLF side, we are going to do everything possible to help protect you from intimidation or vote buying. We are trying our best to create as neutral a political climate as possible so that you can have time to ponder and decide and so that our country will enjoy peace and will prosper like other developed countries. Thank you.

Indonesia

Diplomatic Relations Established With Libya

BK1810070591 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 18 Oct 91

[Text] Indonesia and Libya formally established diplomatic relations yesterday. According to a joint communique signed by Nana Sutresna, Indonesian ambassador to the United Nations, and 'Ali al- Turayki, Libyan permanent representative to the United Nations, at UN Headquarters in New York, the two countries have agreed to enhance friendly relations and develop bilateral cooperation in the political, economic, and cultural fields on the basis of the principles of the UN Charter.

Following the establishment of diplomatic relations with Libya, Indonesia now maintains diplomatic relations with all Arab Maghreb countries in North Africa—Algeria, Morocco, Tunisia, and Libya.

Libya, an OPEC member, has a population of 4.3 million and enjoys an annual per capita income of about U.S. $5,500—the highest in Africa.

Laos

Foreign Minister Receives New Mongolian Envoy

BK1710080291 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Oct 91

[Text] Yesterday afternoon, Phoun Sipaseut, deputy prime minister and minister of foreign affairs, received a courtesy call from Toytoguine Tumurkhules, newly designated ambassador extraordinary and plenipotentiary of the Mongolian People's Republic to the Lao People's Democratic Republic [LPDR]. The Mongolian ambassador presented credentials to the LPDR president on 7 October.

On this occasion, the host and his guest chatted with one another in a cordial atmosphere. Phoun Sipaseut welcomed the ambassador on his assumption of the diplomatic post and expressed the hope that he will contribute to increasingly improving, promoting, and developing the existing traditional solidarity, friendship, and cooperation between the two governments and the two peoples of Laos and Mongolia.

Education Minister Departs for China Visit

BK1610120491 Vientiane KPL in English 0908 GMT 16 Oct 91

[Text] Vientiane, Oct 16 (KPL)—Mr. Saman Vi-gnaket, minister of education and sports of Laos, and his party on October 15 left here on an official visit to the People's Republic of China at the invitation of the Chinese Committee for National Education. The visit is intended to promote the traditional friendship and solidarity between Lao and Chinese peoples. While in China, the Lao delegation is expected to sign with the Chinese Committee for National Education an agreement on educational cooperation between the two countries.

Economic Minister Returns From Bangkok Visit

BK1610135591 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 16 Oct 91

[Text] A delegation of the Lao People's Democratic Republic led by Khamphoui Keoboualapha, deputy prime minister and minister of economy, planning, and finance returned to Vientiane on the evening of 15 October after attending the meeting of the World Bank and International Monetary Fund boards of governors in Bangkok. During its visit, the Lao delegation was given an audience with King Phumiphon Adunyadet and called on Thai Finance Minister Suthi Singsane and the World Bank's vice chairman.

During his meeting with the Thai finance minister, Khamphoui Keoboualapha raised several issues pertaining to economic cooperation and asked the Thai side to reduce import duties on Lao goods, such as wood products. Both the deputy prime minister and World Bank's vice chairman expressed high regard for the cooperation and assistance the World Bank had rendered to Laos. The World Bank's vice chairman suggested that the Lao side work out development projects and submit them to the World Bank for consideration and special assistance.

Police Arrest Narcotics Traffickers, Seize Drugs

Jul-Sep Operations Detailed

BK1210041691 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 12 Oct 91

[Text] According to a report from the Office of the Lao National Narcotics Control Committee, police authorities and officials in various provinces arrested a number of narcotics traffickers during recent months in compliance with the government's policy and the existing laws of the country as follows:

1. In late August, police in Luang Namtha Province confiscated 15 kilograms of heroin and arrested two suspects.
2. In mid-August, police in Sayaboury siezed 150 kilograms of opium along with a number of suspects.
3. From July to September, police in Bolikhamsai Province launched a suppression operation during which approximately 6,000 kilograms of marijuana was seized, equipment and weapons were captured, and 14 suspects were arrested.

All the suspects will be brought to court for trial in accordance with the law.

Champassak Officials Burn Contraband

BK1510035091 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 15 Oct 91

[Text] Customs officials in Champassak Province recently held a public bonfire before the relevant authorities, burning contraband goods seized from smugglers attempting to bring them into the country. The seized contraband goods included 218.5 kilograms of marijuana, 7 kilograms of drugs with a high percentage of narcotic contents, and 91 kilograms of pornographic literature.

In July police and customs officials in Luang Namtha, Sayaboury, and Bolikhamsai Provinces also arrested a number of drug traffickers with 15 kilograms of heroin, 150 kilograms of opium, and 6 metric tons of marijuana. The arrested suspects were sent to courts for trial in accordance with the law.

Philippines

Further on Alleged Manglapus Assassination Plot

Manglapus Interviewed

HK1810052291 Manila Manila Broadcasting Company DZRH in Tagalog 0000 GMT 18 oct 91

[Telephone interview on "Expose" program with Foreign Affairs Secretary Raul Manglapus by host Louie Beltran in Manila—live, in English; italicized passages in Tagalog]

[Text] [Beltran] *Okay, we have been waiting for this for a long time. We will cut short our commentaries to give Secretary Raul Manglapus an opportunity to clarify this major controversy.* Good morning, Mr. Secretary.

[Manglapus] Good morning Louie.

[Beltran] You know we just had Linggoy Alcuaz on the air and he was making all of those allegations. Then we told him that we are going to give you equal time, and straight and direct from wherever. Are you in the Philippines or in the United States?

[Manglapus] Am I in the Philippines?

[Beltran] Yes, are you here?

[Manglapus] Yes, at home.

[Beltran] Oh, okay. Because we heard the tape that you have last night and it sounded like you were abroad so...

[Manglapus, interrupting] No, no...

[Beltran, continuing] ...what do you say about this, you know a lot of people find it incredible tale, Operation Jeremiah.

[Manglapus] [chuckles] Hello?

[Beltran] What do you say about this, Mr. Secretary? I don't stop laughing when you say something.

[Manglapus] Aside from all the things that have already been said, and I don't think there is any need to say now about the, this fellow and his background, and his character, the fact that he has been making a living out of these things. Have you had a look at the text of the so-called tape?

[Beltran] Yes, there was a lot of ahs and ohs and it sort of, it doesn't come in complete sentences.

[Manglapus] Assuming that it is genuine, which of course I am sure it is not. Assuming that it is genuine, obviously this man was not even clever enough to put together something that [stammers] is a basis for such an accusation. If you get a good look at the text—you're a lawyer, and I'm sure you'll see that there is no basis there for any of the charges that he is making. He says that he was retained by me to kill several people including Honasan, the rebels, and some of my so-called political opponents.

I would like to request you to focus on the published text of the so-called conversation, and see whether there is anything there that will tell you that that's exactly what happened.

[Beltran] Yes, there was no mention of the political targets, so I was really wondering where that is coming from. Is that what came up in ABC [American Broadcasting Corporation]?

[Manglapus] Yes, yes. Look at the... don't you have the text of ABC? I think the ABC published the text of the broadcast.

[Beltran] I probably didn't have the time to look at it, but, Secretary, there were several points that Commissioner Alcuaz made this morning. He claimed, once in 1987, you, he asked you about Terrell, and you didn't say anything derogatory about the man; that's one.

[Manglapus] Well, that is very much in keeping with what I said yesterday in my press conference. You know, I met this fellow Terrell at the Center for Development Policy [as heard] in Washington, where I had been working during my exile. But in 1986, I went back there because they offered to make it the setting for the launching of my book in Washington. Now, during that celebration, I met this fellow, and he was introduced to me as someone who was working for the Center on Central American Affairs. And so this was '86. Eighty-seven he had not—as far as I remember—he had not come here. I don't know whether Linggoy ever mentioned him to me. But if he did, and if I did not say anything derogatory, that's because I had nothing derogatory on him. On the contrary, I knew him as someone that I had met at the Center for Development Policy. Now, when he came to me, over a year ago, I had not heard of this derogatory information, and I remember him only as someone introduced to me at the center where I used to work. I did not object to his coming to my house and offering to give me an analysis of American policy and of the law and order situation here etc. Knowing him to have been working on intelligence in Central America, I took his words seriously.

[Beltran] So that was the reason you met him in your house. That he offered to give you briefings on...

[Manglapus, interrupting] Yes.

[Beltran, continuing] ...local peace and order as well as other situations here in the Philippines.

[Manglapus] And that is what we discussed. He offered to tell me about how he felt the Americans were feeling about the bases; how he thinks, how he thought the insurgency was developing here; how he thought that the rebels of the right were making plans, etc. He offered me all kinds of intelligence analysis. And of course, I took them seriously. It was only recently that I learned that he had been fired by that place that I was mentioning to you, the Center for Development Policy, because he had made false charges against President Bush in connection with Iran, not the contra, although he was involved in that too, but in Iran and the delay of the release of the Iran hostages. If you remember, in the late '70's.

[Beltran] Was it Terrell who made those accusations?

[Manglapus] He was one of those who made the accusations, and, because he was proven to know nothing about it, and, therefore, in a sense not telling the truth, he was fired. He was actually fired. You can call, and I can give you the name of the executive director of the center, Lindsay Mathewson. You can call him, and he will confirm this. But, unfortunately, these people had not informed me about this fellow being fired. And I suppose they didn't, they had no idea, what this fellow was going to do when he came here.

[Beltran] Okay, Mr. Secretary, did ABC get in touch with you and ask you to at least give your side of the story.

[Manglapus] Well, this is what they did, Louie. And that's why I thought it was most unfair. When I was in the United Nations for the general assembly about two weeks ago, they called up the office of our Philippine mission there, and they said they wanted to interview me. Now, obviously, when a foreign minister is in New York and the media or what offered to interview him, the obvious expectation—and we're entitled to expect that I was going to be interviewed on foreign affairs, not on anything else. So the entire, almost the entire staff of the Philippine mission was present in my hotel room. And they started indeed to ask me about foreign affairs. But after two or three questions, they came up with this tape you see. And on camera. And this man interrogates me no longer as an interviewer but as a prosecuting attorney.

[Beltran] So what was your reaction?

[Manglapus] Well, at the beginning, you know, I thought he was just going to refer to it in passing. But no. As it happened, he started to try to get me to make admissions, to go into details, telling me why didn't you report this man to the U.S. embassy assuming all the time that the tape was a genuine thing? And so in the middle of this thing, I said to him, now look, this is no longer an interview, and you came under false pretenses. You said we were entitled to assume that you were coming here to interview me on genuine matters of foreign affairs and here you are with this accusation on the so-called tape, putting me on camera. You know, I said, in this country, in the United States, even those who are being put under arrest are supposed to have rights.

[Beltran] You were not told in advance that they were going to ask you about that particular topic...

[Manglapus, interrupting] No, [overlapping voices] and we have the tape to prove it. I mean, you know we have the videotape of the taping session. In other words, some of our people, in their eagerness to put this thing on record, because they thought it was going to be a big interview of foreign affairs, brought their videotape cameras. And so we have, if you're interested, I'm sure we can obtain a copy for you.

[Beltran] Okay, I'll ask you for a copy, Mr. Secretary. But, you know, Linggoy Alcuaz also said something which I thought you have to answer, because it's got some implications with what you are doing right now. He said that somebody might have decided to come up with this particular project Jeremiah and the tape, and the point last year when you were negotiating with the United States for the bases, and you might have turned completely around and folded under this kind of blackmail.

[Manglapus] I see. [chuckles] Well, I don't know. I understand that this tape has been going around here. You know, Louie, we have been getting calls from people who were supposed to have possession of the tape. Before I left for the United States, and this I mentioned in my press conference yesterday, before I left for the United States...

[Beltran, interrupting] So it did not affect you one way or the other?

[Manglapus, continuing] ...we had already been receiving telephone calls here in my house. From Filipino people who are supposed to be in the media, I think, who said they have this thing, saying we have possession and that, you know, I don't know what they intended to, what was the intention in letting me know about it? I didn't have a copy of the tape. I didn't know what was in it, although I was told. I mean, I didn't know what the text was, although I was told, we were told by these people calling us that it was, it had something to do about a ploy.

[Beltran] So it didn't affect your judgment one way or the other?

[Manglapus] Of course not, because I didn't know about the tape until a few days before I left for New York about three weeks ago.

[Beltran] Okay, I think that should be clarified. Anything else you want to say, Mr. Secretary?

[Manglapus] Well, let me repeat, Louie, first of all I thank you for this opportunity to be on your program, because it enables me to reach the people and ask them only one thing, after having said all the things that have been said about the background of this and the incredibility of this man, I would like to request the public to focus on the text of the so-called tape. Assuming that it's genuine, assuming that it's genuine, or assuming that it is not genuine, this fellow has been not clever enough to put together a tape that supports his accusation. There is nothing there. You're a lawyer, there is nothing in the text itself that establishes that I told him, hey you shoot this fellow, you shoot that fellow, you shoot that fellow. There's nothing there. And you yourself pointed out that there's nothing there. All the long things are said by him, if you notice. All the long sentences come from him. And the short sentences are supposed to come from me, making it a very easy splicing job here. [chuckles]

[Beltran] Okay, Mr. Secretary. Thank you. Is there anything else you want to add? If not, thank you very much. I'm sure we're taking too much of your time already.

[Manglapus] No, not at all. Thank you very much.

[Beltran] Okay, *that was Foreign Affairs Secretary Raul Manglapus, who gave his side on this controversy. He was saying that we should, if possible, study the text of the tape very carefully, and we will see that the tape does not indicate in anyway that he said shoot this fellow or that fellow.*

We heard two versions this morning. You, the people, be the judge. It's up to you whether you believe the two versions you heard this morning. You are our investigators this morning.

Enrile Seeks Senate Probe

HK1810070191 Quezon City MALAYA in English 18 Oct 91 pp 1, 6

[By Cris Larano and Prudencio Euroea (With Jodeal Cadacio)]

[Excerpt] Senate Minority Floorleader Juan Ponce Enrile (NP [Nacionalista Party]) yesterday demanded a Senate investigation on an alleged plot hatched by Foreign Affairs Secretary Raul Manglapus to assassinate military rebels and civilian opponents of President Aquino.

Enrile said he first heard of the plot from Jose Luis Alcuaz, former National Telecommunications Commission chief, late last year but did not pay attention to it.

But after reading the transcript of the interview by ABC, a U.S. television network, with Jack Terrell, an American mercenary allegedly hired by Manglapus to carry out the plot, Enrile said he is convinced "there is some semblance of truth to this."

"No person with such imagination could have possibly scripted a dialog like this," he said.

Two weeks ago, he said, he was told that he was among the assassination targets.

Enrile demanded Manglapus' resignation if the Senate investigation shows there is truth to the report.

He said the Senate must summon Terrell to the investigation.

Terrell said he was contracted to kill former Lt. Col. Gregorio Honasan, other leaders of the Reform the Armed Forces Movement and political rivals of President Aquino.

Honasan was a long-time aide of Enrile when he was defense secretary.

Former Defense Secretary Fidel Ramos, who was named in an ASSOCIATED PRESS report as a possible target of the assassination plot, brushed aside the report as "fantastic".

"I'll take that story with a very, very big grain of salt. It is too fantastic," he said. [passage omitted]

Official Blames 'Government Enemies'

HK1810055891 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 18 Oct 91

[Italicized passages in English]

[Text] The assassination plot controversy involving Foreign Affairs Secretary Raul Manglapus may be the propaganda work of government enemies.

Press Secretary Tomas Gomez III gave this statement in his Clarifications and Perceptions program in response to the allegations of an American mercenary. According to published reports, Jack Terrell has a tape of his conversations with Manglapus regarding the assassination of certain rebel soldier leaders. The secretary specified three reasons why the story was sold to newspapers in and out of the country.

[Begin Gomez recording] It is possible that, through high technology, they could splice our tapes, study them, and reconnect them to come up with, *using our phrases, using the words that we have exchanged to bring about a completely different sense, out of a new tape which actually never happened.* My suspicion first of all is that this is a smear campaign, and, secondly, I think Terrell is attempting to write a book. *He wants to sensationalize it and the best way to do it is to create a sensation about the information that he has.* Third, this could be blackmail. You know— saying that it would not be exposed if you give me a little something in exchange; I will give you these materials, and we can forget each other. [end recording]

Aquino: Bases Agreement Also Termination Notice

HK1710152191 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 17 Oct 91

[Text] President Aquino has clarified that the executive agreement between the United States and the Philippines will serve as a new notice for the American troops to withdraw from Subic Naval Base. Here is Tanny Rodriguez with the details:

[Begin Rodriguez recording] The president made this clarification to shed light on the question of whether the government will still give a termination notice to the U.S. Government, because the Senate did not ratify the new treaty. The president then said that she has decided on a three-year withdrawal period, because this will be good for the national interest. She also based her decision on the welfare of the workers at Subic Base, the damage caused by the Mount Pinatubo eruption, and the need to maintain friendship and cooperation with the United States, an ally of the Philippines. The president also said that the existing agreement with the United States will allow for both sides to have an agreement on setting the time for the withdrawal of U.S. troops from the military bases. [end recording]

Tanada Presses for One-Year U.S. Base Pullout

HK1810065991 Quezon City MALAYA in English 18 Oct 91 p 6

[Text] Sen. Wigberto Tanada (LP [Liberal Party]) yesterday proposed a two-phased, one-year formula for the withdrawal of the military component of U.S. forces in Subic Naval Base to avert a possible constitutional crisis.

The first phase involves complete withdrawal of all American "nuclear and interventionary forces" by the end of December. Tanada said this will include the estimated 7,000 U.S. Navy and Marine Corps, the iterventionary Special Operations Forces, and all nuclear-capable or armed combat aircraft, battle groups, amphibious task forces, and combat ships, specially those designated as "transient forces."

The final phase involves withdrawal by September 1992 of the remaining half of the 700 civilian personnel operating communication facilities and naval ports, and the remaining half of U.S. security detail of 23 officers and 677 personnel, and the relinquishment by of full control over several facilities in Subic.

U.S. Ambassador Frank Wisner said his government is prepared "anytime" to negotiate for an executive agreement which will define the withdrawal of American forces in Subic Naval Base but that they are still waiting for a diplomatic note from the Philippine government.

Executive Secretary Franklin Drilon has said the diplomatic note might be sent to the U.S. Embassy today.

Australia Maintains Official Development Aid

HK1410114591 Manila THE MANILA CHRONICLE in English 14 Oct 91 p 9

[Text] Australia's official development assistane (ODA) to the Philippines for 1991-'92 is expected to reach over P[Philippine peso]1 billion.

This was announced recently by Ian Anderson, Australian Embassy counselor for development assistance after returning from high-level consultations held in Canberra between officials of the National Economic and Development Authority (Neda) and the Australian International Development Assistance Bureau (AIDAB).

The Philipine delegation included Neda deputy director-generals Dr. Cielito Habito and Isagani Valdellon as well as Philippine Ambassador to Australia Rora Navarro-Tolentino.

"Despite the very tight budgetary constraints Australia is now experiencing, we have maintained in real terms the base level of total Australian aid flows to the Philippines," Anderson said. Australia spent over P[Philippine peso]1 billion in aid to the Philipines in 1990-'91. Thus, the Philippines remains the second largest recipient of Australian bilateral project aid in the world after Indonesia. AIDAB's total budget for international aid this year is P26 billion.

Of the P1-billion total flows to the Philippines this year, about P745 million will be used to fund scholarship grants as well as new and ongoing projects carried out jointly by the Philippine and Australian governments. The rest will be used for regional programs and emergency assistance.

As in last yera the education/traning sector will receive the bulk of ODA flows in 1991-'92. Ongoing activities include the sponsored training program, and projects aimed at strengthening the Philippines' capabilities in both science and mathematics education as well as technical and vocational education.

Significant assistance will continue to be provided to resource management/environmental protection, agriculture, health, and social infrastructure projects. These sectors reflect the Philippine government's priorities and Australia's capacity to assist.

Canada To Aid Local Government Program

HK1410143191 Manila MANILA BULLETIN in English 13 Oct 91 pp 1, 22

[Text] Foreign Affairs Secretary Raul S. Manglapus and Canadian Ambassador Andre Simard signed Friday a memorandum of understanding for the Local Government Support Program which provides a P[Philippine peso]118.68-million (Canadian $5 million) funding from the Canadian International Development Agency (CIDA).

The Canadian program will assist the Philippine government in its decentralization efforts in three regions—Western Visayas, Southern Mindanao, and the Autonomous Region of Muslim Mindanao. this will be effected immediately after President Aquino signed the Local Government Code last Oct. 10.

The initiative is intended to enhance the capability of the local governments of these regions to carry out planning, programming and project implementation functions.

The program was designed to complement the transfer of greater administrative, financial, and political authorities of local government units.

The CIDA will provide a funding of about P118 million over a six-year period to cover the foreign exchange cost of the program to cover technical and managerial assistance. This includes research, training, and policy advocacy.

Local cost of the projects will be funded from the Canada-Philippines Development Counterpart Fund.

Government Asks World Bank To Fund Loan Program

HK1410113491 Manila THE MANILA CHRONICLE in English 14 Oct 91 p 9

[By Leticia Perez]

[Text] The Government is asking the World Bank to finance its foreign exchange liberalization program, Central Bank governor Jose L. Cuisia Jr. said.

Cuisia said that no amount has been discussed yet but whatever funding World Bank will provide will be part of the proposed $1-billion jumbo loan the government is asking from multilateral agencies.

The jumbo loan, which is composed of several loan programs, will be lumped in the proposed the Economic Recovery Loan (ERL) or Structural Adjustment Loan 3 (SAL 3).

The foreign exchange liberalization fund, Cuisia said, will be used as a "vehicle enabling us to access funds from the World Bank."

Cuisia, indicated that the funds could be used for the debt reduction package the Philippines is negotiating with the foreign banks and multilateral agencies in Bangkok this week.

"The loans being discussed with the World Bank could be used for the debt package," Cuisia said.

The Philippines and its foreign creditor banks earlier agreed to a debt reduction package consisting of new money, debt buy-acks, debt interest relief through a temporary interest rate reduction, and debt for debt conversion with submarket interest rates.

The package will generate some $3.8 billion in savings for the Philippines, $1.5 billion in debt principal reduction and $2.3 billion in cash flow relief.

The debt principal reduction is the critical portion of the package because the Philippines will have to raise funds to buy back its debts at discount in the secondary market.

The World Bank, Japan Export-Import Bank and the International Monetary Fund earlier set aside funds for the debt relief programs of the Philippines.

A portion of the $1.6 billion already came in when the Philippines implemented the first round of debt buy-back. The balance of about $850 million were specifically set aside for debt interest reduction.

Cuisia in earlier interviews said that the Philippines needs some $1 billion to implement a "meaningful" debt reduction package.

Group Criticizes World Bank Funded Export Plan

HK1510083591 Manila MANILA BULLETIN in English 13 Oct 91 p 13

[By Michael M. Alunan]

[Text] Dollar and peso funds for export financing are in danger of getting idled.

Under immediate threat of being stashed away for lack of takers is $300-million export loan package the Central Bank (CB) planned to negotiate from the World Bank (WB) for relending, through accredited conduits, to exporters.

The Confederation of Philippine Exporters (COPE) declared in its position paper that the WB-funded export program called the Export Development Fund (EDF) has objectionable features, including higher interest rates, which ran counter to the CB's earlier policy pronouncements.

COPE said there was so much credit available for lending to exporters but access to the funds, particularly by small-scale exporters, has not been enhanced.

At present, CB has some P8 billion [Philippine pesos] for lending solely to exporters.

On top of this, another $300 million under the WB revolving short-term trade facility built out of the dollars blocked eversince the credit moratorium of 1983 has also been available.

The facility alone would carry an interest of only 11 percent while EDF, which CB would administer, would bear higher interest rates of 17.5 to 20.5 percent. So instead of getting EDF, CB should provide easier access to the revolving short-term trade facility, COPE said.

Exporters also suggested that the EDF be given the same softer features.

Some exporters suspect that if these loan programs do really get to their intended clientele, whether by design or otherwise, proceeds would only be used for "budgetary support" or to shore up the government's chronic budget deficit problems.

Currently, CB rediscounts exporters' loans at 14 percent, resulting in about 17 percent final interest on loans to exporters. This is a lot lower than the rates on commercial loans.

"While CB makes it distasteful by calling it subsidized lending, other countries do not begrudge the exporters such an advantage," the COPE paper said adding that Thailand keeps its rediscounted loans at 10 percent (9 percent for small medium-scale industries), while India at 12 percent for 180 days and 14 percent for up to 270 days.

Other credit programs, exporters can avail of are the Agricultural Loan Fund (ALF), the Industrial Guarantee Loan Fund (IGLF), Export Industry Modernization Program, Export Development Assistance Project, Transactional Financing, APEX Refinancing Program, Guarantee Fund for Small and Medium Enterprises, Philippine Export and Foreign Loan Guarantee Corp's General Guarantee Facility and the Export Guarantee Program for Small and Medium Industries, and CB's rediscounting for exporters.

ASEAN Abandons Regional Trading Bloc Plan

HK1410135791 Manila PHILIPPINES NEWSDAY in English 14 Oct 91 p 8

[By Reporter Bienvenido M. Rerez]

[Text] Despite the continued dead lock in multilateral negotiations for a liberalized world trade order and the emergence of protectionist zones in Europe and North America, economic ministers of the Association of Southeast Asian Nations have abandoned plans to establish a regional trading bloc, but agreed instead to conservatively broaden intraregional economic cooperation in East Asia.

This was bared last Friday by acting Trade and Industry Secretary Peter D. Garrucho Jr., upon his return from the 23rd ASEAN economic ministers meeting held in Kuala Lumpur.

Garrucho said the ministers endorsed the convening of an East Asian Economic Caucus rather than advance Malaysia's proposed East Asia Economic Grouping that would have served as a foil to the so-called "Fortress Europe" of the European Community and the North American Free Trade Agreement between the United States, Canada and Mexico.

This caucus, he said, will not be an institutionalized entity but will simply strengthen the system of dialog within the ASEAN, which involves the discussion of various issues of common concern among East Asian economies and with other countries and multilateral organizations.

In addition, Garrucho said this caucus will serve as this region's backbone for supporting and promoting an envisioned free global trading system.

"The initiative would provide the necessary collective approach in areas of mutual concern in international economic fora," a joint press statement of the economic ministers from the Philippines, Brunei Darussalam, Singapore, Thailand, Malaysia and Indonesia said.

Documents obtained from the Department of Trade and Industry showed that this setup has been the official Philippine position on Malaysia's bold common market proposal for East Asia.

Even while the country supports the idea that the countries comprising the formidable East Asia grouping [EAEG], which includes Japan, should consolidate their existing and potential economic linkages, the Philippines "(feels) that the process of expanded cooperation should be incremental and gradual."

The Philippine position holds that "priority should be given to the strengthening and enhancement of intra-ASEAN economic cooperation as a basis upon which to embark on extra-ASEAN cooperation."

Proponents of the EAEG, particularly Malaysian Prime Minister Mahathir Mohamad, have noted that bold recommendations should be made by the ASEAN's economic ministers since the association has not only been slow but also not innovative in responding to the sweeping economic and political changes affecting Southeast Asia and the rest of Asia.

The association's plodding style of group decision-making, through its various consultative mechanisms, has allegedly left its member-countries struggling to remain relevant in the changes in world trade and investments.

Whether this conservative tact by the ASEAN would eventually change or still persist come the fourth ASEAN summit in Singapore this January remains to be seen, industry sources noted.

Although apparent concessions have been made during the meeting, Garrucho emphasized that even with a seemingly simple intra-regional economic expansion program in the works, broadened trade within East Asia "holds vast potentials to further enhance the dynamism of regional economies."

Domestic Borrowings Increase to 298 Billion Pesos

HK1510092091 Manila PHILIPPINE DAILY INQUIRER in English 15 Oct 91 p 14

[By Arleen C. Chipongan]

[Text] The national government's borrowings from the domestic market mainly through the flotation of high-yield government securities had risen to P[Philippine pesos]298.5 billion as of end-September this year, the Central Bank reported yesterday.

Compared with the level of government's domestic debt as of end-1990, this represented an expansion of P68.65 billion, or 23 percent.

The cost of servicing these debts had been placed by the Central Bank at 20.951 percent during the third quarter, or a drop by 3.9 percentage points from the 21.345-percnet interest cost during the period April-June.

Such heavy borrowings by the government from the local market had been the major reason for the surge in bank lending rates.

Local commercial banks tie their lending rates to the yield of Treasury bills. Thus, when the yields of these government securities shot up to nearly 30 percent early this year, the cost of borrowing from the banks became prohibitive for investors. This, in turn, dampened business activities.

The Central Bank said that of the P298.5-billion peso-denominated government debts, the national government accounted for P271.45 billion; government corporations, P1.98 billion, and the Central Bank, P25.04 billion.

The gross borrowings during the third quarter actually amounted to P124.97 billion, but the government redeemed P114.62 billion worth of maturing obligations, the Central Bank said.

As such, net borrowings during the period amounted to only P10.35 billion, which the Central Bank said was P31.81 below the quarter's target of P42.16 billion.

The Central Bank said that the major issuer during the first nine months of the year was the national government, which borrowed P94.6 billion or 75.6 percent of the total flotations during the period. This was followed by the Central Bank with P30.13 billion, or 24 percent of the total.

The sale of some P230-million worth of Angat bonds floated by the state-owned Metropolitan Waterworks and Sewerage System (MWSS) also raised the debt burden of the government corporate sector during the period.

The MWSS is floating a total of P2.3-billion worth of such Angat bonds.

Finance Secretary Jesus P. Estanislao had warned that servicing of the national government's domestic debt would increase by p10 billion next year if the continued uptrend in the yields of Treasury bills was not checked.

The yields of Treasury bills had started to soften in the second quarter. In July, the average Treasury bill yield had dropped to 19.716 percent. However, this shot up to 23.29 percent by the end of September.

Monetary authorities and local bankers said they do not expect the yields of Treasury bills to drop below 20 percent as the government continues to incur huge budgetary shortfalls.

The national government usually resorts to the flotation of high-yield Treasury bills to raise funds needed to patch up part of the budget gap.

Executive Secretary Supports Lifting Import Levy

HK1710064491 Manila PHILIPPINES NEWSDAY in English 17 Oct 91 p 8

[By Bienvenido M. Perez]

[Text] Executive Secretary Franklin M. Drilon yesterday said he will push for the immediate removal of the 5 percent import levy on capital equipment and spare parts for projects of firms registered with the Board of Investments prior to Jan. 2 this year.

In a bid to spur economic activity while the government implements the final phase of its import liberalization program over the next two years, Drilon stressed that he will shortly make this recommendation to President Aquino, roughly three months after the Department of Trade and Industry had first submitted this levy exemption proposal to Malacanang.

Acting Trade and Industry Secretary Peter D. Garrucho Jr. noted that getting this exemption to turn around the manufacturing sector has become even more urgent since the incentives for capital equipment importations provided to BOI [Board of Investment]-registered outfits under the Omnibus Investments Code will already expire in August 1992.

Recently, data from the Central Bank showed that despite the 4 percent cut on the import levy, economic activity has failed to pick up, which defied government expectations of a steady rise in imports for business expansions.

Many investors, Garrucho said, have actually postponed key importations of capital equipment on account of the levy, even when it was lowered from 9 percent to 5 percent. The anticipation of its further phasedown has also yielded basically the same result: delays in project implementations.

Drilon said he cannot tell how swiftly the executive branch can implement the exemption measure, but pointed out that this has got to be made soon considering the lowering of local tariff rates. He added that the country's industries need to be more competitive in this regard and the levy exemption for BOI-registered outfits could help stimulate exports as well.

Garrucho had noted that the levy has become such a burden on the financial capacities of BOI-listed projects, the costings of which were prepared prior to the levy's imposition in January this year. Bankers have indicated that the levy at 5 percent is still too high.

With the exemption, Drilon said existing companies and even new projects will be able to adequately handle the limited protection on local industries provided by the state's import liberalization moves.

Congress Approves 301.8 Billion-Peso Budget

HK1210043591 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 11 Oct 91

[Text] Congress approved the 301.8 billion-Philippine peso national budget for 1992 on its second reading. They deducted 6.6 billion pesos as payment for the Bataan Nuclear Power Plant Loan and 2 billion pesos for the unprogrammed [as heard] appropriation. Congressman Rolando Andaya, chairman of the House Committee on Appropriations, said the 8.6 billion-peso deduction was reportedly appropriated for payments for the plant and the budgetary support of the government-owned and controlled corporation. Because of these deductions, only a 301.8 billion-peso budget for next year was approved by the committee instead of the proposed 308.6 [figure as heard]. In spite of House Speaker Ramon Mitra Jr.'s objection to the provision that suspended the payment for the Bataan Nuclear Power Plant, Congressman Andaya's committee stood firm on its position to suspend the payments of interest from the principal amortization on the controversial Bataan Nuclear Power Plant. Andaya stressed that the 6.6 billion pesos that will be saved from the budget will be used for the reconstruction and rehabilitation of areas damaged by Mount Pinatubo eruptions and for the conversion of the bases to an industrial or commercial complex.

Manila Offers Incentives to Foreign Creditors

HK1410054791 Manila THE CHRONICLE in English 14 Oct 91 pp 1, 6

[By staff member Leticia P. Perez]

[Text] The Philippines will offer foreign creditor banks incentives if they indicate before a set deadline their commitment to take part in the country's debt-reduction program.

The incentive called the "early bird fee" will provide the creditor banks additional cash provided they "commit early enough," a Central Bank official said.

The early-bird feature was one of the issues left out in the negotiations of the Philippine government with its creditors in New York recently.

The feature, which will be incorporated in the agreement, will be discussed this week in Bangkok. The Philippines is hoping to finalize a debt-reduction package with its foreign creditors.

The package consists of new money, a debt buy-back and cash-flow relief in terms of interest payments such as temporary interest reduction and debt-for-debt conversions that would carry submarket interest rates.

The official said the government has yet to formulate how the incentives will be given. The extent of the coverage still has to be ironed out.

He cited that the incentives may be given to the foreign bank that has chosen the preferred debt-reduction measure of the Philippine government.

In the 1990 new-money package, the Philippine government has also offered foreign banks with an early-bird provision.

The Central Bank official said this early-bird feature has also been used by indebted countries such as Uruguay and Venezuela in deals inked with their own creditors. The incentive has proven to be effective.

In the Philippines' case, it still has to be decided how much the additional benefits the banks will get for starting their commitments early.

In other countries, the official said, the early-bird incentive is equivalent to ⅛ of the total amount of bonds committed by banks.

Assuming the banks were already given notice that the Philippines is accepting tenders, and 30 days is the time set to indicate commitment, the official said the early-bird fee will be given to those who give commitments within the 30-day allowance.

Before he left for Bankgok Friday the Central Bank chief, Jose Cuisia Jr. said the SAL [Structural Adjustment Loan]-3 will be composed of the capital market loan the Philippines is seeking from the Asian Development Bank.

Part of the SAL-3 will fund the trade liberalization program, which will involve the reorientation of the Board of Investments to a promotions agency and the elimination of the quantitiative restrictions.

Cuisia said the ERL [Economic Recovery Loan] will not include the privatization program.

The Central Bank chief did not elaborate on the foreign-exchange liberalization program, but the monetary authority has recently said it will agree to off-floor trading among the other reforms to stabilize the peso-dollar rate.

The Philippines is able to gain access to funds from the World Bank and other agencies on a co-financing basis privided its adhees to the reforms or conditionalities it committed to the multilateral agencies.

Cuisia indicated the government wanted to accomplish the debt- package alternative before March.

Document on Military Rebels' Program Reported

HK1810071691 Manila PHILIPPINE DAILY INQUIRER in English 18 Oct 91 pp 1, 12

[By Juliet Labog]

[Text] A document containing eight "talking points" was delivered by a courier of the Rebolusyonaryong Alyansang Makabayan (RAM) [Revolutionary Nationalist Alliance] midnight of Wednesday to the house of Sorsogon Rep. Bonifacio Gillego.

Gillego said his housemaid, who received the document, was unable to identify the man who delivered it or describe the vehicle used in the delivery.

A first cousin of RAM leader Gregorio Honasan's grandmother, Gillego said he was able to verify the authenticity of the message from a source close to the group.

The "talking points" proposed by the group are:
- —Electoral reforms to ensure clean, honest, orderly and free elections.
- —Dialog between government and all political and social forces.
- —Attainment of good, honest and efficient government for national renewal and reconciliation.
- —Immediate and irreversible withdrawal of foreign troops.
- —Immediate and unconditional return of the Marcos remains for interment with appropriate honors.
- —Implementation of nationalist economic development policies and programs.
- —Actualization of social justice programs to positively address poverty, unemployment and criminality, and
- —Address national defense and security concerns.

Gillego said RAM's call for the irreversible withdrawal of U.S. forces was "most surprising" because it has always been perceived as rightist.

"It shows their political orientation has changed. Nagaaral na sila [They are now studying]. They would not like a military to be just an instrument of an inept leadership. They want it to be possessed of vision and integrity," Gillego said.

"We should welcome this development. It means the nationalist vision has penetrated the military mind," he added.

Meanwhile, a member of the eight-man RAM group thta formulated the "talking points" said the wide range of concerns included in their list of demands should help debund reports calling them military adventurists and thugs or power grabbers and opportunists.

Besides, he said, "What do we lose (if the government rejects the proposed agenda)? At least we were given a chance to express our position. It would be an insult to us if we just settle on military problems."

Gillego said he will talk with Armed Forces Chief of Staff Brig. Gen. Lisandro Abadia, Defense Secretary Renato S. de Villa and Speaker Ramon V. Mitra about the talking points.

Gillego said the RAM sent him their own agenda probably because he has filed a resolution seeking the grant of unconditional and general amnesty to all rebels.

He said he has gathered 69 signatures out of the 205-member House for his resolution.

Communist Rebels Oppose Local Level Peace Talks

HK1810065791 Manila BUSINESS WORLD in English 18 Oct 91 p 8

[Text] Local units of the Communist Party of the Philippines-New People's Army [CPP-NPA] are against the holding of peace talks on the local level, a ranking police official disclosed yesterday. Lt. Col. Flor Fianza, police commander for Benguet province, said they have captured rebel documents in an encounter there last week. The documents, he said, show that local insurgent leaders have asked the executive committee of the CPP-NPA to negotiate with the Government. The move was tantamount to their rejection of local peace initiatives, officials said. The Government has initiated community-based peace process in at least 13 provinces where military commanders have been authorized to halt offensive operations for a maximum of 40 days. This will allow mediators to contact and start a dialogue with local NPA leaders. The process has already started in Negros Occidental, Laguna and Quezon. The CPP-NPA has assailed local peace initiatives and wants peace talks done at the national level. But top defense and military officials have opposed this, citing the failure of the national peace talks in 1986 to 1987. Col. Fianza said the documents, which apparently were circulated by local NPA commanders, were captured during a recent clash near the boundary of Benguet, Mt. Province and Ifugao. The local rebel leaders have also expressed their support for the peace zone concept. The only existing peace zone in Sagada, Mt. Province has failed, the military said. The NPA has allegedly set up their national headquarters there. Officials accused the rebels of violating the conditions of the peace zones.

NPA Rebels Agree to Southern Luzon Cease-Fire

HK1810065591 Quezon City MALAYA in English 18 Oct 91 pp 1, 3

[Text] Communist guerillas in Southern Luzon yesterday agreed to a government proposal for a ceasefire to pave the way for local peace talks.

In a statement sent to reporters, a spokesman of the New People's Army [NPA] Melito Glor Command asked Quezon Gov. Eddie Rodriguez to immediately submit an agenda for the proposed talks.

"Representatives of the National Democratic Front, New People's Army, and the Communist Party of the Philippines are willing to participate in any sincere initiative that will lead to the solution of the fundamental problems of society," Gregorio Rosal, local NPA spokesman, said.

Rosal, alias Ka [comrade] Roger, said the holding of peace talks in the regional level may lead to a nationwide discussion to end the 23-year communist rebellion. Rodriguez and Senior Superintendent Rex Piad earlier proposed a regional ceasefire and the holding of peace talks. Safe conduct passes have been given Rosal and two other rebel leaders.

NPA Rebels Kill 4 'Vigilantes' in Agusan Sur

HK1810064491 Manila PHILIPPINE DAILY INQUIRER in English 18 Oct 91 p 7

[Text] Cagayan de Oro—About 120 rebels attacked a anti-communist vigilante village in Mindanao, killing four people and wounding four others, the military said yesterday.

Maj. Alberto Bunga, spokesman of the army's 4th Infantry Division, said the New People's Army guerillas opened fire indiscriminately Wednesday on villagers in Talacogon town in Agusan del Sur province.

The villagers all were members of the Itunan cult. The Itunans, who believe that amulets protect them from bullets, have joined the military in hunting down rebels in the area.

Bunga said villagers defended themselves with machetes and sharpened bamboo poles but were no match for the rebels' automatic rifles.

Remains of NPA Victim Found; Soldier Suspected

HK1710145791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Oct 91

[By Benjie De Gallicia]

[Text] It is difficult for the family of a civilian who was executed and buried in a shallow grave because the New People's Army rebels suspected he was a military informer to accept that all that remains of their missing relative is his bones.

In a report received by Provincial Director Colonel Raspiad [as heard] from Captain Asinto Dino of the 234th Philippine National Police [PNP] district director and Second Lieutenant Cesar Candillario of the 31st Infantry Battalion of the Philippine Army Charlie Company, a man identified as Jesus Quiano, 53 years old, a farmer from Ilayan, Lupay, Lucena, was kidnapped by four unidentified armed men believed to be members of the NPA while he was tilling his field.

The incident occurred 8 May of this year at his farm in the above-mentioned province. One of the abductors was identified as Fidel Gutierrez, a former NPA leader at Barangay Digo in the town of Pagdilaw who recently surrendered. What pains the family of the victim is that they cannot file charges against Fidel Gutierrez, because he is now a member of the Citizen Armed Forces Geographical Unit's 21st Infantry Batallion of the Philippine Army.

Thailand

Anan on Facilitating UN Mission to Cambodia

BK1710150591 Bangkok Army Television Channel 5 in Thai 1230 GMT 17 Oct 91

[Text] Prime Minister Anan Panyarachun said the government is ready to support and facilitate the sending of forces to protect security at the Thai-Cambodian border if there was a resolution from the United Nations. Prime Minister Anan said he still had no details about such a UN resolution, but said the Thai Government is ready to support and facilitate missions in Cambodia conducted under the UN resolution. He said this is a duty of his government.

[Begin Anan recording] ...If missions are being carried out in Cambodia under the United Nations and if there is a need to use Thailand for the purpose, then we know what to do since it is our duty. [end recording]

The prime minister said after a meeting with the new secretary general of the National Security Council [NSC], General Charan Kunlawanit, that he has asked him to study and report to him whether there should be an adjustment in the role and function of the NSC under the present context.

Drafts Finalized for SRV Economic Cooperation

BK1810030991 Bangkok BANGKOK POST in English 18 Oct 91 p 5

[Text] Thailand and Vietnam have finalised draft agreements on joint investment promotion and protection, energy cooperation, and an umbrella agreement for joint fisheries activities.

The drafts are scheduled to be signed when Vietnamese Prime Minister Vo Van Kiet visits Thailand late this month.

Deputy Foreign Minister Wichian Watthanakun and Vietnamese Vice Foreign Minister Vu Khoan presided over the first meeting of the Thai-Vietnamese Joint Economic Commission which yesterday completed the three drafts at Saranrom Palace.

There are still some details left to be worked out in the fisheries pact, according to Thai Ambassador to Vietnam Suraphong Chaiyanam.

The commission has appointed three subcommittees.

The first, covering trade and economic cooperation, will be chaired by Foreign Affairs Ministry Economics Department Director-General Saowanit Khongsiri and a senior Commerce Ministry official.

The second subcommittee will handle technical cooperation under the leadership of the Technical Cooperation Department director-general.

The third will look after fisheries and agricultural cooperation including the legal aspects of marine territories. The committee will be chaired by Foreign Affairs Deputy Permanent Secretary Suchinda Yongsunthon.

Mr Vo is due in Bangkok on October 28 and is scheduled to meet Premier Anan Panyarachun the following day.

The Vietnamese premier will also meet with Thai businessmen and tour the Eastern Sea-board area.

CSFR Signs Investment Promotion Agreement

BK1610154691 Bangkok Voice of Free Asia in Thai 1030 GMT 16 Oct 91

[Text] A ceremony took place at the Foreign Ministry at 1100 today for the signing of an agreement on investment protection and promotion between Thailand and the CSFR. Foreign Minister Asa Sarasin signed on behalf of the Thai government, while the CSFR government was represented by Vaclav Klaus, deputy prime minister and finance minister.

Thailand and the CSFR have been maintaining smooth economic and trade relations, and the values of trade between the two countries have increased considerably since 1987. In 1990, the value of trade between the two countries amounted to Bt [bhat] 2,081.48 million with Thailand suffering a deficit of Bt1,879.88 million.

Thailand's exports to the CSFR are: rice, tapioca, and clothes. Thailand imported from that country steel and machinery. There are bright prospects for cooperation in investment between the two countries in the area of food processing, textile, glassware, ceramics, machinery, and truck assembly industries. The CSFR wants Thailand to invest in tourism and hotel industry there.

There have been regular exchanges of visits between the two countries. Prime Minister Marian Calfa, accompanied by the minister and deputy minister of foreign trade, visited Thailand in May this year. Thailand's Deputy Foreign Minister Wichian Watthanakhun visited the CSFR in August this year. Deputy Commerce Minister M.R. Pridiyathon Thewakun recently led a Thai delegation to attend the second meeting of the joint trade commission of both countries during early October.

Paper Says World Bank Polices Not Helping Poor

BK1210032191 Bangkok THE NATION in English 12 Oct 91 p A10

[Editorial: "World Bank Makes the Poor Become Poorer"]

[Text] George Bernard Shaw once said: "I am a gentleman; I live by robbing the poor." In the early years after the Second World War, when a number of countries freed themselves of the colonial yoke, the Bretton Woods institutions floated the idea that capital deficiencies of the least-developed-countries (LDCs) could be compensated for through loans from the World Bank.

The "gentleman" multilateral aid agency—the World Bank—was formed to administer the Marshall aid programme for the reconstruction of war-torn countries, and forge a new international interdependent economic order along a macroeconomic or Keynesian economic policy.

Growth-Oriented Theory

Thus was born the growth-oriented theory of development. The World Bank advocated maximizing GNP growth, while raising the level of domestic savings, reallocating investment in favour of poor groups, and introducing fiscal measures to redistribute benefits.

Over the years, the growth-oriented theory of development brought along more pessimism than optimism. By the early 1970s, it was clear that mere maximization of growth cannot solve the problem of poverty of the majority in the developing countries. Although in terms of real GDP growth, developing countries did fairly well during 1970-75, the impressive growth rates were accompanied by massive inequalities between countries and regions, and populations within regions.

By the early 1980s, the development-and-distribution paradigm of the previous decade had to be deemphasized because the condition of the poor in many developing and less developed countries was clearly not improving. On the contrary, the gap between the rich and poor had widened, with telling disparities in income.

The World Bank now recommends that developing countries should rely more on market mechanisms, as if adoption of this strategy is a sure solution to problems associated with poverty.

The recently concluded People's Forum, a parallel event to next week's World Bank/IMF annual meeting in the luxurious 65,000-square-metre Queen Sirikit National Convention Centre, proved the reality that the gap between the rich and the poor is actually widening in countries that are dependent on multilateral agency loans.

While the World Bank has called Thailand "a nation poised on the brink of economic success," Forum activists have warned that the country's industrial growth is widening the income gap and destroying the environment. At a press conference in Chulalongkon University on Thursday, Thai Forum representatives called for a shift from materialistic growth that benefits a small minority to a development strategy that gives priority to people, local communities and ecosystems.

The Green Revolution approach in agriculture promoted by the World Bank and the Food and Agriculture Organization is a case in point.

The agencies have been promoting this kind of agriculture with the Thai Government since the first national economic development plan took off in 1960. The result has been that farmers are now being forced to use chemicals in agriculture, a concept which was alien to them a generation ago.

Farmers in the World Bank-supported Rubber Replanting Promotion Fund—which encourages farmers to expand areas of rubber cultivation—have been advised to use about 50 kilogrammes of chemical fertilizer per rai. And this does not include herbicides.

Falling world rubber prices have prompted certain farmers in the replanting scheme to plant fruit trees instead of rubber, to free themselves from shackles of heavy debt, and to feed their families. But to their horror, they were fined heavily by the government for introducing uncertainty in the Ministry of Agriculture's plan to double rubber production by the year 2000. The Rubber Promotion Fund clearly benefits the chemical and rubber industries, causing the small farmer and the environment to suffer.

Far from alleviating poverty, the World Bank has only caused more misery among underprivileged groups. Residents evicted from four villages in the Li District of Lamphun province in the North testify to this painful fact.

A quarter of a century ago, Thailand's first hydro-electric dam, the Phumiphon, was constructed with financial support from the World Bank. The residents of the four villages had to make way for the dam. Till today, they are without the drinking water, arable land, electricity and roads promised to them in 1964.

Why do governments adhere to the multilateral agency's policies when their poor become poorer in World Bank-aided projects?

Is it because the leaders' sense of responsibility towards their own poor majorities is limited? And, why is it the rich never seem to be adversely affected by World Bank projects?

Jet Set

The voice of the poor is muffled in the din of development rhetoric that the "jet set" are busy drilling around the globe on every medium that they can commandeer. The "jet set," comprising firms and suppliers of donor countries, elites in borrower countries, bureaucrats in ministries, project organizations, donor and recipient agencies, and consultants and experts, are people in a hurry. They are interested in money as the most tangible evidence of growth and development. But for whom?

For three days Thailand's poor slum-dwellers will observe the globe-trotting bankers' splurge at the Bt2.4 billion Queen Sirikit National Convention Centre.

Whatever decisions the bankers arrive at after their deliberations, there will remain one truth no development theory can mask: When the bankers fly home, the poor will still be here and they will always remain poor!

Vietnam

Nguyen Manh Cam Leaves for Paris Conference

BK1810111891 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Oct 91

[Text] On 18 October 1991, our government delegation led by Comrade Nguyen Manh Cam, minister of foreign affairs, left Hanoi to attend the Paris international conference on Cambodia [PICC].

Government Spokesman on Forced Repatriation Issue

BK1710163591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 17 Oct 91

[Text]This afternoon, 17 October, the Vietnamese Foreign Ministry's spokesperson held a regular news conference in Hanoi. A large group of newsmen from news agencies at home and abroad attended.

Correspondents from Reuter, AFP, AP, and newsmen from Hong Kong asked whether it was true that the Vietnamese and British Governments signed an agreement on Wednesday, 16 October, to repatriate Vietnamese boat people who were not granted the refugee status? On the basis of this agreement, who will be responsible for repatriating these people to Vietnam? How will the repatriation be carried out and when? And who was the British Government representative who signed this agreement in Hanoi?

In answering all these questions, Mrs. Ho The Lan, representing the SRV Ministry of Foreign Affairs Press and Information Department said the following:

Illegal departures from the country are not what Vietnam wants. The reasons for these departures are many, including the economic difficulties caused by the prolonged trade embargo and blockade against Vietnam, and the lure of a better living abroad fanned by deceitful propaganda, causing light-minded persons to choose the adventurous way of leaving the country.

For the sake of social order and security and to improve relations with the countries concerned, Vietnam has consistently and actively taken measures to prevent illegal departures and cooperated with the countries and international organizations concerned to settle this issue in the spirit of humanitarianism, including encouraging voluntary repatriation.

Stemming from a respect for human rights, Vietnam has never accepted forcible repatriation. On the other hand, Vietnam also notes its responsibility toward Vietnamese citizens who have been refused asylum in all countries and are now suffering from prolonged homelessness and misery. Vietnam, therefore, is ready to accept the return of these people on the basis of respect for their human dignity in an orderly manner and with the assistance of international organizations so as to create favorable conditions for them to quickly stabilize their lives. All other interpretations are a deviation from Vietnam's humanitarian policy.

Mrs. Ho The Lan added that after the talks held in Hanoi on 23-24 September between Vietnam, Britain, Hong Kong, representatives of UNHCR, and the International Organization for Migration [IOM], there has been no other negotiations on this issue. She said meetings and exchanges of views between the SRV Foreign Ministry's Consular Department and the British Embassy in Hanoi only dealt with routine issues related to the consular work.

EC Program To Aid Vietnamese Refugee Returnees

BK1310135991 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 13 Oct 91

[Article by Tieu Lien from the "International Topic" program]

[Summary] "The EC Program in Vietnam was just established under an agreement between the EC and the Vietnamese Government. The program is to be carried out in many fields to stabilize and improve the life of people facing financial hardship in some localities." It is a humanitarian program to help the voluntary Vietnamese returnees and Vietnamese people to improve their lives.

"According to the program, in the first stage the EC will spend 12 million dollars to build vocational training centers, provide loans, upgrade economic production units, improve public roads, and upgrade the medical care service in Haiphong, Quang Ninh, and Ho Chi Minh City."

The amount of money allocated for private loans will be handled by the Vietnam Agriculture Bank. Anyone can borrow money, provided the loan will be used for private production purposes. The loan may be between $200 to $2,000 for a period of three years at a low interest rate. The EC wants to lend money to help people start their own business. According to EC calculations, with four million dollars to be loaned, 6,000 jobs will be created under the program.

The vocational training program is also one of the EC program's priorities. The EC signed contracts with 20 vocational training centers in Quang Ninh, Haiphong, and Ho Chi Minh City to provide training for 2,000 people in sewing machining, languages, and business management.

The EC is also spending 375,000 dollars to improve the rural areas by building more public roads and water dams and by reclaiming more land in coastal areas.

Regarding its medical service program, the EC will spend $1.8 million to renew the Thuy Nguyen Hospital in Haiphong and the Hon Gai Hospital in Quang Ninh, to provide medication, and to train medical staff.

The first stage of the EC program will be concluded by the end of 1992. Then there will be an evaluation of the program's result before the program is extended for another two and a half years and expanded to other localities with a ten-fold increase as compared to the current program.

The EC Program in Vietnam and the UN High Commissioner for Refugees [UNHCR] agreed to choose 27 September 1991 to announce the program. Mr. (Gardener), the EC charge d'affaires at the Bangkok-Vietnam office said:

[Begin Gardener recording in English fading into Vietnamese] The opportunity created by the EC is to improve the socioeconomic situation of you, your family, and your community. Everyone can have that opportunity but after 27 September 1991, anyone who leaves the country to seek political asylum will not be able to receive help from the EC program. Also beginning from 27 September 1991, the asylum seekers will not be able to settle in another country nor will they receive any financial help from the UNHCR program when they return to Vietnam. Moreover, they will not be eligible to obtain loans or jobs created by the EC. We want to tell you that you should stay in Vietnam, your homeland, and be eligible under the EC Program. [end recording]

Regarding the coordination between the EC program and the UNHCR, Mr. (Kadina), special adviser to the UNHCR in Southeast Asia said:

[Begin Kadina recording in unidentified language fading into Vietnamese] The UNHCR totally supports the EC program in Vietnam and, in fact, there is cooperation to carry out the program. We call on everyone who is not in the criteria to be settled in a third country to return to Vietnam and receive help from the EC to reassimilate into his community. The UNHCR used to give $360 to the returnees but in reality, the money has encouraged people to leave their country. Therefore, after 27 September 1991, we are not giving money to anybody leaving his country and voluntarily returning afterwards. [end recording]

Rail Service With PRC To Resume This Year

BK1710114291 Hanoi Voice of Vietnam in English 1000 GMT 17 Oct 91

[Text] China will be ready to restore rail link with Vietnam by the end of this year. According to the official PEOPLE DAILY, teams were fixing the Chinese side of the rail line which runs from Guangxi in Southern China through to Hanoi and Ho Chi Minh City in Vietnam.

International rail service between China and Vietnam is expected to resume by the end of this year, the paper said.

Border Railway Section Repaired

BK1410092691 Hanoi Voice of Vietnam in English 1000 GMT 14 Oct 91

[Text] A 20-km railway section linking the capital of Lang Son Province with Dong Dang, a small town on the Sino-Vietnamese border is undergoing major repair. This railway section, the last on the Hanoi-Dong Dang line which is 170 km long, was heavily damaged during the January 1979 border war.

Army Paper on Progress in Relations With Laos

BK1510140191 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 Oct 91

[Text] At the conclusion of the official friendship visit to Vietnam by Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party [LPRP] and president of the Lao People's Democratic Republic [LPDR], QUAN DOI NHAN DAN on 15 October carries an editorial entitled: "New Progress in the Vietnamese-Lao Special Relations of Solidarity."

The paper says: During his visit to Vietnam, Comrade Kaysone Phomvihan was received by and held talks with the Vietnamese party and state leaders in an atmosphere of mutual trust and understanding. Both sides affirmed the determination to strive to preserve and foster the Vietnamese-Lao special relations of solidarity and all-around cooperation so they can flourish ever more intensively, thereby significantly contributing to enhancing the strength of each nation.

Given the complex international situation and serious ordeals of the world revolution at present, party and state leaders of the two countries unanimously asserted that in the days ahead it is necessary to strengthen the Vietnamese-Lao special relations of solidarity and all-around cooperation on the basis of respecting the independence, sovereignty, and territorial integrity of each other, developing the tradition of solidarity and mutual assistance in the spirit of fraternal comradeship, equality, and mutual interests.

In their cooperation, both sides will concentrate their efforts on carrying out projects of mutual benefit, strengthening the results of cooperation in accordance with the new mechanism, and providing assistance to each other to create a combined strength, thereby meeting requirements for the cause of national construction and defense and triumphantly implementing resolutions of the Seventh CPV Congress and of the Fifth LPRP Congresss.

The paper concludes: Welcoming achievements of the Vietnamese-Lao friendship and cooperation, the Vietnamese people and Army pledge that they will do their best to foster the Vietnamese-Lao special relationship, renovate methods of cooperation, and enhance results of cooperation programs for the mutual interest of the two nations, for victory of the renovation undertaking in each country, and for restoring peace, stability, cooperation, and development in the region and the rest of the world.

Do Muoi Sends Congratulations to Fidel Castro

BK1610155591 Hanoi VNA in English 1427 GMT 16 Oct 91

[Text] Hanoi VNA Oct.16—General Secretary of the Communist Party of Vietnam Central Committee Do Muoi yesterday congratulated Fidel Castro Ruz on his re-election as first secretary of the Central Committee of the Communist Party of Cuba.

In his congratulatory message the Vietnamese leader wished his Cuban counterpart success in leading the heroic people of Cuba to implement the resolutions adopted by the recent Fourth Party Congress to obtain greater achievements in defending and building socialism in Cuba.

Radio Commentary Supports Cuban Party Congress

BK1510145191 Hanoi Voice of Vietnam in English 1000 GMT 15 Oct 91

[Text] The Communist Party of Cuba just held its fourth national congress, an important event in the political life of the Cuban people. In the current drastically and complicatedly changing world, how can Cuba solve its socioeconomic problems and carry out its economic development? These issues have been raised and confirmed at the Fourth Cuban Communist Party Congress. Our radio has this to say on this matter:

The Fourth Communist Party of Cuba Congress was held in Santiago de Cuba on 10 October with the participation of 1,700 delegates. President Fidel Castro delivered a five-hour speech, looking straight at the truth and pointing to economic issues in the country.

The Cuban top leader admitted that the economic situation of the country is critically difficult. Since 1989, due to the Soviet Union's difficulties, economic and trade exchanges between the two countries have faced many obstacles. Many commodities important to production and daily life have not yet been supplied to Cuba. Meanwhile urgent social issues in Cuba should be solved.

In face of this situation, President Fidel Castro affirmed that Cuba has no alternative than solving by itself national issues through the path of socialism.

On U.S. economic blockage, the Cuban leader said Cuba has not expected anything from the U.S. charitable feelings. And it is ready to rise up to defend its homeland by means of the people's warfare. At this forum, President Fidel Castro also affirmed that Cuba is responsible for taking socialist ideals onward and that capitalism will never (?reiterate) Cuba. He said the (?safest) task of Cuba at present is to defend and save the socialist and revolutionary homeland.

The participants in the congress shared this view by adopting resolutions affirming that Cuba continues to pursue the road of socialism. The communists in the world follow with keen interest in this event of the Cuban people. They are convinced that with this chosen path of socialism and with determination, Cuba will overcome difficulties and bring about a plentiful and happy life to the people.

The French Paper HUMANITE in its 11 October issue said the Fourth Communist Party of Cuba Congress with its affirmation of the socialist path will open up a new road for the bright future of Cuba.

The world support and assistance given to the Cuban people especially those by the Italian Communists show that Cuba is not isolated in its national construction. The Italian Communists are setting up their fundraising campaign to collect one billion lira to help Cuba.

With the world support and following its chosen path, Cuba will certainly achieve its goal that is to defend its ideal, destiny, independence, and revolution as pointed out by President Fidel Castro at the fourth national party congress.

CPV Greets Hungarian Party Congress

BK1110152191 Hanoi VNA in English 1425 GMT 11 Oct 91

[Text] Hanoi VNA Oct 11—The Central Committee of the Communist Party of Vietnam has extended its greetings to the 15th congress of the Hungarian Socialist Workers' Party.

The message wishes that the Hungarian party would overcome all trials and gain new achievements in building a prosperous and happy Hungary. It also wishes the relations between the two parties and peoples further consolidation and development.

Doan Khue Meets Indonesian Military Delegation

BK1610100591 Hanoi Vietnam Television Network in Vietnamese 1300 GMT 13 Oct 91

[Text] Accepting the invitation of the SRV high-ranking military academy, a delegation of the military academy and infantry force commander of the Indonesian Armed Forces led by Major General (Pujiadi), deputy principal of the Indonesian Military Academy, visited Vietnam from 8 to 11 October.

During the visit, the delegation paid a floral tribune at Ho Chi Minh Mausoleum and visited places where Ho Chi Minh used to live and work.

The delegation had meetings to exchange experiences on the work of military training with cadres and instructor of the High-Ranking Military Academy and visited some local army units in our country.

The delegation also paid a courtesy call on Senior Lieutenant General Dao Dinh Luyen, chief of the General Staff Department of the Vietnam People's Army.

On 9 October afternoon, General Doan Khue, minister of national defense, received, and had cordial talks with, the delegation.

Foreign, Capital Investment Plans Outlined

BK1310075291 Hanoi VNA in English 0651 GMT 13 Oct 91

[Text] Hanoi VNA October 13—From now to the year 2000, Vietnam expects to draw between 8 and 12 billion U.S. dollars in foreign investment of which from 2.5 to 3.5 billion in the 1991-1995 period.

Towards this end, the State Committee for Cooperation and Investment has proposed a list of eight key projects, first of all the continued development of oil and gas industry.

From now to the end of 1992, apart from the 13 contracts already in place, Vietnam plans to sign from eight to 10 contracts in this field.

The second key project is the construction of oil refineries, nitrogenous fertilizer plants, pharmaceutical and sodium hydroxide plants. Negotiations on the construction of oil refinery plants with a capacity of 4.5 to 5.5 million tons per year are under way.

Coming next in importance is mining, especially of apatite of the north, iron ore in central Vietnam, bauxite in Lam Dong Province in the central highlands... A 10,000 ton-a-year iron-ore dressing factory will be built in central Vietnam in the near future.

In the energy industry Vietnam is calling for investment in energy generation with priority given to electricity projects in southern and central provinces and to coal mining.

In the building material industry, priority is given to the upgrading of the existing cement plants and the building of new ones with a capacity of 1 to 1.5 million tons per year and a glass factory.

Capital-intensive investment will be made in industrial establishments producing consumer goods and goods for export, and processing zones.

Attention will be paid to the establishment of zones specializing in cultivation of industrial plants such as rubber, coffee, tea and mulberry, to stock-breeding and processing foods, afforestation, broadening of the water areas for aquaculture, and expansion of fisheries and maritime product processing.

Finally, to broaden cooperation in the service industry, finance, banking, tourism and construction of major trade centres.

So far, Vietnam has licensed more than 300 foreign investment projects with a total capital of U.S. $2.3 billion including projects valued at U.S.$600 million already put into operation.

If everything goes according to plan, the export value is estimated at U.S.$7-8 billion by the year 2000.

Council of Ministers Directive on Debt Settlement

BK1310122891 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Oct 91

[Text] On 1 October 1991, the Council of Ministers standing body had a working session with the steering committee for settling debts at the central level.

After being briefed by the comrade vice chairmen and other members of the committee on the results of the first and second steps of the initial phase of the general debt settlement drive, the Council of Ministers chairman reached some conclusions and gave the following instructions:

The initial phase of the general debt settlement drive was only able to settle the lingering debts of the active state enterprises. However, the results achieved are of very great significance because they contribute to establishing economic order. The restoration of discipline and order on the economic front is an urgent necessity. Only through effective implementation can the renovation undertaking be given the conditions necessary to achieve proper results.

The third step of the initial phase of the general debt settlement drive is crucial. Unsatisfactory implementation will limit results and, henceforth, will lead to a failure to resolve financial difficulties and boost production.

It is necessary for those sectors under the steering committee for settling debts to achieve close coordination and work out necessary measures aimed at helping the debt settlement committee meet the requirements set for the initial phase of the general debt settlement drive.

Due to the ongoing general debt settlement drive, all sectors concerned, including state economic establishments and state management agencies, will have a chance to review the quality and competence of their personnel, consolidate the contingent of cadres, praise all agencies concerned for good cadre assignment, and conduct criticism and take actions—including stern measures—against violations. Only by so doing can there be a contingent of good quality cadres to meet the requirements of the renovation undertaking.

Council Issues Directive on Eucalyptus Planting

BK1610115191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 15 Oct 91

[Text] In order to guarantee the high efficiency of the afforestation plan in the years ahead and to overcome the shortcoming of the eucalyptus planting, the chairman of the Council of Ministers issued a directive to instruct the Ministry of Forestry to plan the work of eucalyptus cultivation.

The Ministry of Forestry must decide the planting areas and the type of eucalytus suitable for the environment. The ministry must guarantee the provision of good eucalyptus seedlings to the localities.

The ministry is to issue instructions on how to plant eucalyptus, including in combination with the planting of other trees. The ministry is also conducting the necessary scientific research on seedling selection, planting technique, and the industrial processing of eucalyptus.

From now on, eucalyptus is not to be planted in water catchment areas, mountainous areas, or on steep slopes. The logging of natural forests—degrading them in order to plant eucalyptus—is strictly banned.

Party Mass Mobilization Department Holds Seminar

BK1110103991 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Sep 91 p 1

[Text] In Hanoi on 23-24 September, the Communist Party of Vietnam [CPV] Central Committee Mass Mobilization Department held a seminar under the theme "renovation of work related to front and mass organizations." Attending the seminar were more than 50 leading cadres, secretaries of party committees of central agencies of front and mass organizations, and representatives of party Central Committee departments and offices.

Comrade Vu Oanh, member of the CPV Central Committee Political Bureau and Truong My Hoa, secretary of the party Central Committee, directed the seminar.

After presenting their viewpoints in various areas, the participants asserted the necessity to renovate the organization and activities of front and mass organizations to suit the present situation and tasks, thereby contributing, together with the party and people throughout the country, to effectively implementing the Seventh CPV Congress resolution in the daily life.

Addressing the seminar, Comrade Vu Oanh urged leading cadres of front and mass organizations to strive to study and conduct research to find out the best method to fulfill the assigned tasks in accordance with the unique conditions in their units and localities. He also urged them to make preparations for the upcoming second round party organization congresses of their units so as to formulate a program of action in conformity with the new situation. Front and mass organizations should strive to improve the quality of their political and ideological education, build good models and appropriate organizational structure, care for and protect the legitimate interests of their members, contribute to resolving pressing socioeconomic issues, and enhance the people's confidence in the party, state, and our regime. Each mass organization should formulate its own program of action to motivate and mobilize various strata to close their ranks around the party, thereby contributing to triumphantly implementing the political platform and the strategy of socioeconomic stabilization and development set forth by the Seventh CPV Congress.

Article Views Army Signal Corps Party Congress

BK1110094391 Hanoi QUAN DOI NHAN DAN in Vietnamese 2 Oct 91 p 2

["Article" by Trung Tin-Quang Thong on the second-round congress of the Army Signal Corps' party organization]

[Summary] The Army Signal Corps' party organization held its second-round congress in mid-September. Lt. General Le Kha Phieu, member of the party Central Committee and the party's Central Military Commission, and chief of the General Political Department, attended and addressed the congress. "He highly appraised the party organization leadership over the implementation of the central tasks and the organization of signal communication work to support combat readiness and combat duties of the corps during its fifth tenure of 1986-90. Comrade Le Kha Phieu presented sharp suggestions of a practical guidance nature which served as a basis for the congress to thoroughly understand and correctly apply the viewpoints and scope of the seventh party congress to realities in the party organization in the new situation and to the conduct of party congresses (second round) of units in the corps."

Half the political report read at the congress was devoted to presenting lessons of experience in providing leadership for the Signal Corps to perform its duties while analyzing thoroughly good points and shortcomings. Together with the political report, a 16-page brochure summarizing the views of basic party organizations on the draft political report was also presented. Owing to this summary, the views debated at the congress reflected a high degree of unanimity in the assessment of the party organization leadership which served as a firm base for all members to enhance their political knowledge and work ability.

The congress also reserved reasonable time for discussing policies and measures to implement the set objectives. "It should be stressed here that during its five year 1986-90 tenure, the party organization provided leadership for the signal corps to perform its duties while many of its leading and command cadres were being reassigned to other units. By the middle of its tenure, the party organization had to recommend cadre replacements for the signal corps beyond the stipulations of the party statutes. Yet, the number of replacements was still insufficient to meet demands of the signal corps."

Moreover, the congress also sternly criticized such negative phenomena as paternalism, extreme democracy, injustice and egalitarianism.

"The congress of the Army Signal Corps' party organization has successfully concluded in keeping with the seventh party congress guidelines for: renovated thinking, democracy, discipline and solidarity".

Tien Giang Province Holds Party Congress

BK1110155391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 9 Oct 91

["Report" on the 25-28 September second-round party organization congress of Tien Giang Province]

[Summary] A second-round party organization congress was held by the Executive Committee of the Tien Giang Provincial Party Organization from 25-28 September with the participation of 350 delegates representing 15,000 party members from various areas throughout the province.

"Attending the congress were Truong My Hoa, secretary of the party Central Committee; and Le Van Kien, member of the Party Central Committee."

With a high sense of responbility, those attending the congress engaged in various discussions and debates, cleared up many divergences in opinion, and displayed a high identity of views over various matters.

The congress evaluated the efforts made by the party organization executive committee during its past term of office to implement the correct line of renewal of the sixth party congress, pointing out that "with the spirit of self-help and self-reliance and with dynamism and creativity, the province has overcome numerous difficulties and has effected a remarkable change for the better. Its socioeconomic situation has improved while its strength and stature have increased with every passing day. In economic development, the province has switched its efforts to commodity production. In 1990, with more than 100,000 hectares of arable land, the province successfully yielded its highest-ever rice output of 1 million metric tons—an increase of 24 percent over that in 1986."

The province also recorded "a 19 percent increase in its industrial, artisan, and handicraft production over 1986. Its nongovernmental industry has achieved a rapid growth as evidenced by the setting up of nearly 1,000 rice mills and hundreds of seafishing teams and by the presence of a comparatively large number of timber and food processing and machinery repair establishments. The province has invested over 100,000 billion dong in capital construction. Many projects have been put to use. Science and technology have provided better service to agricultural production, construction, and processing industry. Its export value has increased three-fold over 1986 and the people's lives have gradually been stabilized."

The congress spent a great deal of time analyzing various residual shortcomings of the province. It pointed out that "agricultural production has, in certain aspects, been not steady enough as there has been a lack of dynamism in finding pest-resistant rice varieties," and that "the control of nongovermental economies has not been strict, thus resulting in a prolonged state of negativism and great losses." In addition, "the bad practice of speculative hoarding, smuggling, and goods counterfeiting continues to exist. Exportation activities have not been stabilized, scientific and technological activities have still been limited, budgets are still tight, and social problems still acute. Especially, the problems of employment, welfare, and social vices have not been satisfactorily solved while party building has not been brought up to the level required by the new tasks. The relations between the party and the people have, in certain localities, not been close enough and the people's confidence in the party has declined."

The congress set forth targets to be achieved in the next five years which consists, among other things, of "developing five small-scale agriculture-based economic areas in conjunction with efforts to promote the processing industry and expand support services; gradually switching efforts to the industrialization of the local economy; stabilizing and improving the people's lives; increasing political stability, and thereby making contributions to tiding the country over the present crisis." More specifically, within the next five years, the province is to "increase its revenue by nine percent, attain an annual rice yield of 1.2 million metric tons, and bring its population growth rate down to 1.7 percent by 1995."

Afterward, "Comrade Truong Thi My Hoa expressed her views. She praised those achievements scored by the Tien Giang Provincial Party Organization in the past and pointed out that as Tien Giang Province occupies an important economic, cultural, scientific, and technological position and has a long history of revolutionary traditions and close unity between the party organization and the people, it must develop this integrated strength if it is to spur its socioeconomic development in the coming period."

The congress elected 40 comrades to the provincial party organization executive committee for the fifth term of office. "They are highly trusted cadres of good abilities and qualities."

Pham The Duyet at Thang Long Bridge Congress

BK1110123691 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 10 Oct 91

[Text] On 10 October 1991, the Thang Long Bridge Construction Union held its sixth second-round party congress with 165 delegates representing 980 party members from its 15 grassroots party organizations.

Comrade Pham The Duyet, member of the party Political Bureau and secretariat of the Hanoi City Party Committee and Professor Bui Danh Luu, member of the party Central Committee and minister of communications, transportation, and post attended the congress.

During the last five years, under the direction of the sixth and seventh national party congresses and with a new system of business management, the union party committee has closely worked with the general director to build a suitable action plan to overcome difficulties and reach five planned targets in quality and timing of some projects in Ben Thuy, Yen Bai, and especially in Laos.

At the same time, the union has stabilized production and average income of its 5,000 workers and efficiently implemented some social welfare works.

The union party committee has carefully and efficiently rearranged the management work in a way to maintain the leading political role of party organizations. Consequently, the relaxed, democratic, but disciplined atmosphere in the party organization has emerged.

The party enthusiastically discussed the direction and duty of the sixth term of the party committee. The discussions focused on the economic, technological, business, and work targets of the union and measures to improve life and fighting spirit of workers and party organizations.

Regarding the business target, the union plans to work on projects with a high level of complexity and technology, enhance the strong points of Thang Long union workers, renew its equipment equal to international level, broaden the domestic and overseas markets, improve its personnel deployment, and apply a system of rewards based on the business result.

As regards the party work, the party committee considers the enhancement of ideology and morality for every party member as its first duty. The committee also wants to make sure that 22 percent of the union's personnel are party members. Other tasks before the committee are training of young workers, support for talented people, and elimination of degraded elements.

Military Construction Corporation Holds Congress

BK1410071591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Oct 91

[Text] The party organization of the Truong Son General Construction Corporation of the Defense Ministry held its third second-round congress from 8 to 10 October 1991. Lieutenant General Le Kha Phieu, member of the Party Central Committee, member of the Standing Committee of the party Central Military Commission, and chief of the General Political Department, presided over the congress.

Five years ago the Truong Son-subsidized economic building group was reorganized into the General Construction Corporation according to the mechanism of socialist production and business. The party organization of the Truong Son General Construction Corporation has promptly and thoroughly studied the party viewpoints on troops' participation in building the economy and also studied the Council of Ministers' decisions on production and business. It has developed to a high degree a spirit of independence, self-administration, and self-reliance to lead the unit through many difficulties and ordeals, and to contribute to building and completing the construction of 50 projects, including such targeted state projects as the Hoa Binh and Drey H'ling hydroelectric power plants, the Quan Trieu-Nui Hong railways, the Lao Cai apatite mine, and so forth; they have also created a gross output value of 108.637 billion dong. The general corporation fulfilled 101 percent of the budgetary contribution norm, thus creating relatively lasting conditions for stabilizing production and preserving credibility toward state agencies from the central to local governments.

The general corporation's party organization has constantly met the criteria for soundness and steadfastness. Its basic party organizations have been rated 43-76 percent sound. The number of qualified party members ranges from 91.2-99.9 percent. The party organization has also led the building of strong and firm mass organizations, provided good care for workers, and participated in assuring political security and social order and safety in the unit's station area, especially in the outlying forest area.

For the next five years from 1991 to 1995, the party organization of the Truong Son General Construction Corporation has unanimously set the leadership guidelines for continually developing the right to self-administration of the general corporation and of each subordinate corporation and enterprise; enlargement of the area of operation; and establishment of economic alliances and joint ventures with the major state economic installations and foreign economic organizations in order to enable the general corporation to accept large-scale construction projects along with small and medium ones, exploit mineral ores, grow coffee plants, ensure sufficient jobs for cadres, workers and combatants, create material bases for socialist construction, firmly maintain defense potentials, and be ready to support combat when needed.

Nguyen Van Linh Attends Student Awards Ceremony

BK1410040691 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 13 Oct 91

[Text] On 12 October, the Ho Chi Minh City education sector held a ceremony to commend outstanding students of the 1990-91 academic year. A total of 47 students won the outstanding national student titles while 23 others won the 12-year competent student titles.

Comrade Nguyen Van Linh, adviser to the Communist Party of Vietnam Central Committee attended and addressed the ceremony. In his speech, Nguyen Van Linh said: My generation will depart soon and as a result, youths and teenagers of this generation will take up the responsibility for the destiny of our nation. Prosperity of our socialist Vietnamese state depends on the training and education of students of this generation. We need as many competent people as possible to extricate the country from poverty and backwardness.

Uranium Ore Discovered in Central Vietnam

BK1410150691 Hong Kong AFP in English 1506 GMT 14 Oct 91

[Text] Hanoi, Oct 14 (AFP)—Geologists have discovered three sites containing uranium ore in central Vietnam's Quang Nam-Da Nang Province, the magazine TUOI TRE received here Monday reported.

After nearly seven years of exploration, Geological Research Team No. 154 succeeded in finding three important sites in the west of the province, said the youth magazine published in Ho Chi Minh City.

The report said the uranium ore was discovered in a granite and coal-bearing district of Tien Phuoc and in a gypseous zone in a district of Dai Loc, where, according to experts, the uranium content was highest.

The geologists were now determining the precise size of the three deposits with the goal of drawing up an exploration plan, added the magazine.

VNA Reviews Hanoi Newspapers for 14 Oct

BK1410073991 Hanoi VNA in English 0617 GMT 14 Oct 91

[Text] Hanoi VNA Oct. 14—Today's press continues to report on Kaysone Phomvihan's activities here and Hanoi's warm welcome to the visiting Lao leader.

The papers report on the talks held here Saturday between the Lao leader and Vietnamese Party General Secretary Do Muoi and President Vo Chi Cong during which the two parties expressed satisfaction at the fruitful cooperation beoween the two countries, on a banquet offered on the same day and a grand meeting held Sunday in honour of the distinguished Lao [word indistinct].

The papers further report on Premier Vo Van Kiet receiving on Friday the new Tunisian Ambassador Saleh Ben Mohamed Jebali, on Deputy Foreign Minister Vu Khoang's meeting here last Thursday with Swedish Charge d'Affaires A.I. Svante Kilander during which Vu Khoang highly appreciated Sweden's generous cooperation and effective assistance to Vietnam in economic construction.

The English language daily [name indistinct] News quotes French Finance Minister Pierre Beregovoy as saying in Bangkok Sunday that he was hopeful upcoming discussions to restore international financial assistance to Vietnam could be brought to a successful conclusion.

The same paper further says that the [word indistinct] Sadako Ogata, said last Friday his organisation would assist in the repatriation of Vietnamese boat people, notably from Hong Kong, and that the World Bank expects to be able to resume lending to Vietnam next year.

On the 61st anniversary of the Vietnam Peasants' Union, Oct. 14, all the papers here carry in full State Council President Vo Chi Cong's letter to the Vietnamese farmers throughout the country. In this connection, they report on a get-together here Oct. 12 of representatives of farmers, during which 32 farmers were [words indistinct] improve good of Vietnamese peasantry. In a relevant editorial, NHAN DAN calls upon the Vietnam farmers' union to further renovate itself in order to fulfill its role as the representative of the Vietnamese peasants, to improve production, build the countryside, care for the legitimate rights of the peasants and help solve problems in the countryside to contribute to the cause of renovation.

Other reports are about the signing here last Saturday of a new cooperation agreement between the Vietnam Women's Union and the Swedish International Development Authority, and about a seminar in Germany on help [for] Vietnam in economic management held [words indistinct], and about the congress in Ho Chi Minh City on Oct. 12 for exemplary students of general education which was [word indistinct] by Nguyen Van Linh, advisor to the Communist Party of Vietnam Central Committee.

Australia

Government Protests Taiwanese Air Link Threat

BK1610150291 Hong Kong AFP in English 0808 GMT 16 Oct 91

[By Jack Taylor]

[Text] Sydney, Oct 16 (AFP)—The Australian Government made clear Wednesday it is annoyed by a threat by Taiwan to suspend air links over what Canberra considers a minor political issue and has no intention of bowing to it.

Only days after the launch of direct air services linking the two countries for the first time, a row has flared over the phrasing of an Australian entry visa in the passports of visitors from Taiwan.

Taipei insists the stamp is discriminatory and its Communications Minister Eugene Chien said Monday the air links would be suspended unless Australia dropped it before the end of this year.

The Sydney-Taipei operations of Australia Asia Airlines, a brand new subsidiary of Australia's national airline Qantas, are threatened.

So too would be the flights of Taiwan's Mandarin Airlines, which plans to start a twice-weekly service on the route this week.

A spokesman for Foreign Minister Gareth Evans said Wednesday that Taiwan's repeated tactic of linking mutually beneficial air services to minor political issues was becoming tiresome and increasingly counter productive.

The stamp exists because of Australia's one-China policy. Australia has not recognised the Taipei government since 1972, when it opened relations with Beijing.

The stamp says: "The Australian Government does not accord the holder of this visa any official or any other status as a representative of a regime not recognised by the Australian Government."

New Zealand recently dropped a similar stamp after opening direct air links with Taiwan in August.

A spokesman for the Australian foreign affairs department said the stamp had been under review as a separate issue since before air links were first raised.

The review is considering whether the stamp serves any purpose and whether there is any further need for it.

The spokesman said a report on the matter would be dealt with in due course but the minister was not going to make a decision on the basis of threats made by Taiwan. Quoting Evans, he said: "This repeated Taiwanese tactic of linking mutually beneficial air services to minor political issues is becoming tiresome and increasingly counter productive."

Air links between Sydney and Taipei are expected to contribute up to 500 million Australian dollars (400 million U.S.) in trade between the two countries, which was worth five billion dollars (four billion U.S.) last year.

Australia's decision to establish direct air links has been complicated by mainland China's extreme sensitivity to any new commercial associations with its tiny neighbour over which it believes it has the right to sovereignty.

Although Australia has no intention of granting Taiwan formal diplomatic recognition, it sees the establishment of air links as one of a number of significant concessions.

Fiji

Sugarcane Harvesters To Go On Stike 18 Oct

BK1710064891 Melbourne Radio Australia in English 0500 GMT 17 Oct 91

[Text] Sugarcane harvesting gangs in Fiji's Western Division are to go on strike again tomorrow. The stoppage has been announced by the National Farmers Union in protest over what it is says is the government's failure to implement an accord that led to the lifting of an earlier harvest boycott. That boycott in July forced delays in crushing at three of Fiji's four sugar mills.

The union demands include immediate elections for the Sugarcane Growers Council and a board of inquiry into the cane proceeds for last year.

Solomon Islands

Opposition Head Nori Resigns, Successor Chosen

BK1710064691 Melbourne Radio Australia in English 0500 GMT 17 Oct 91

[Text] In the Solomon Islands, Andrew Nori has resigned as leader of the opposition. Mr. Nori said he was stepping down because he had failed in many attempts to increase the number of opposition members in Parliament.

Because of this, he said it would be counterproductive for him to remain as opposition leader and might even lead to the disintegration of the present opposition group.

Mr. Nori said he had stepped on too many toes and would like to rebuild his relationship with other leaders in Parliament.

He said a new opposition leader had been selected but would not be announced until his resignation took effect in two weeks time.